

# Iowa Utilities Board



Board Members; Allan Thoms, Emmitt George, Jr., and Paula Dierenfeld at the entrance of the Utilities Division.

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# the iowa utilities board

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## Allan Thoms

Chairperson Thoms joined the Board on April 3, 1995, for a six-year term that expires in April 2001. He is a member of the Committee on Telecommunications, the Board of Directors, and the Executive Committee of the National Association of Regulatory Utility Commissioners (NARUC). Thoms also serves as chair of the U S West Regional Oversight Committee which reviews U S West's operations in its 14-state service area.



Thoms received his law degree from the University of Iowa. He was president of Rowley Interstate Transportation Company from 1979-1982 and was senior vice president and chief administrative officer for Dubuque Packing Company from 1982-1986. In 1986 he became director of the Iowa Department of Economic Development and also served as chief of staff for Governor Branstad.

## Emmit George, Jr.

Emmit George was appointed to the Board in 1991. His current term expires in April 2003. He is a member of the National Association of Regulatory Utility Commissioners (NARUC) and serves as vice-chairman of the Committee on Electricity. As a member of the committee, he assists in formulating state and national electricity policy. In December 1998 he resigned as chairman of the Subcommittee on Nuclear Issues-Waste Disposal after serving for three and one half years. He is also a member of the Committee on International Relations.



George is a member of the Electric Power Research Institute Board of Directors and the Central College (Pella, Iowa) Board of Trustees. He is chairman of the Iowa Energy Center Advisory Council and is a member of the advisory councils of the New Mexico State University Center for Public Utilities and Nuclear Electric Insurance Limited.

Board member George received a B.A. from Central College and a juris doctorate from the University of Iowa Law School. He practiced law in eastern Iowa for sixteen years prior to his appointment to the Utilities Board.

## Paula Dierenfeld

Paula Dierenfeld was appointed to the Utilities Board by Governor Terry Branstad in September of 1997. She was appointed to serve an unexpired term ending in April 1999.

Prior to her appointment to the Board, Dierenfeld served in the Governor's Office (1989-1997) as the Governor's legal counsel and administrative rules coordinator. In that position, she also served as the policy advisor to the Governor in the areas of health, human services, and criminal justice. Previously, Dierenfeld held positions as director of the Senate Republican Research Staff in the Iowa Senate (1986-1989) and staff



assistant to U. S. Senator Charles Grassley (1984-1986).

Dierenfeld is a member of the National Association of Regulatory Utility Commissioners' Committee on Gas. She is also an advisory board member for the Iowa Center for Global and Regional Environmental Research at the University of Iowa. Additionally, Dierenfeld serves as chair of the Iowa Dual Party Relay Council.

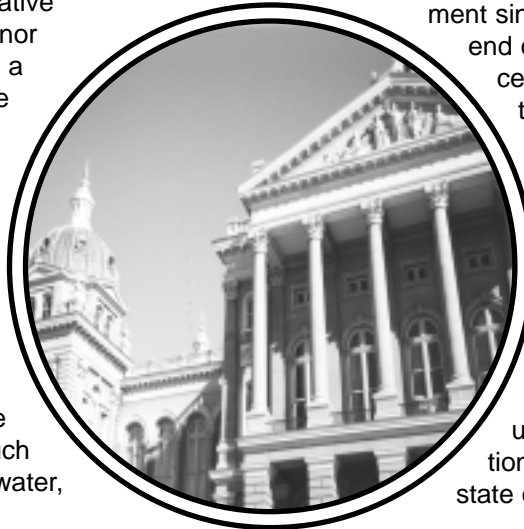
A native Iowan, Dierenfeld graduated from the University of Northern Iowa in 1981 with a degree in political science and economics and from Drake University Law School in 1984 with a juris doctorate.

# history

## of the Iowa Utilities Board

**The Iowa Board of Railroad Commissioners, one of the oldest agencies in Iowa state government, was established in 1878, only 32 years after Iowa became a state. The three elected commissioners were charged with the duty to regulate railroad passenger and freight rates and operations. This oversight of the network that transported Iowans and their products was critical to pioneer farmers and businesses.**

Regulation of utility companies was slow to reach Iowa, although several Iowa governors urged legislative action. In 1909 Governor Beryl Carroll proposed a commission to regulate the public utilities of the state. "Is it not...necessary," asked the Governor, "that those who will buy shall not be wholly at the mercy of those who have to sell, especially where there can be no choice of places of buying, such as in the purchase of water, gas and electricity...?"



In 1911 the Legislature established the Office of Commerce Counsel, one of the nation's first public defender's offices, within the Railroad Commission. By 1913 with the growing use of electricity, the Board was authorized to regulate the location of electric transmission lines in Iowa. A rate department was added at this time, followed by statistics and engineering departments a short time later. The agency began licensing grain warehouses in Iowa in 1921 and was authorized to regulate passenger and freight rates for intrastate motor truck transportation in 1923. Authority to regulate natural gas pipeline construction was granted in the early 1930s.

Because of its expanded authority, the agency was renamed the Iowa State Commerce Commission (ISCC) in 1937.

By 1953 Iowa was one of only two states that lacked a public utility commission. A decade later the Iowa Legislature did add the regulation of the rates and service of public utility companies to the Commission's responsibilities. At the same time, commissioners' two-year terms were extended to six years and became appointed, rather than elected, positions. The 1963 ISCC annual report acknowledged the change this way:

"There had been a growing sentiment since approximately the end of World War II for centralized regulation of the public utilities of the state." Up to this time the governing bodies of the cities and towns had jurisdiction over electric and gas rates and services, but there was no provision for the regulation of communication services at either the state or municipal level.

"The lack of regulation of communications services was one of the factors that stimulated the demand for regulation. Another factor which stimulated that demand was the excessive cost incurred in ranking rate adjustments by the major investor-owned electric and gas companies each of which had to deal individually with upwards of two hundred town and city councils for each rate change."

This additional responsibility over 923 regulated public utilities (702 telephone companies) grew quickly and began to overshadow the Commission's other duties. In 1975 the industry passed the \$1 billion threshold in intrastate operating revenues. Regulation of motor and

rail transportation was transferred in that year to the Iowa Department of Transportation. Exclusive service areas for electric utilities were initiated in 1976, as well as authority to issue certificates of public convenience, use, and necessity for constructing electric generating facilities.

As the price of energy rose in the late 1970s, conservation and alternative sources of energy became important issues. In 1980 the Commission was authorized to engage in several energy-saving strategies and pilot projects.

After the Legislature adjourned in 1981, only five telephone companies remained under rate regulation. Those with fewer than 15,000 customers were required only to meet the agency's service standards.

In 1983 the nation's first telephone deregulation statute was included in an omnibus utility reform bill which also replaced the Office of Commerce Counsel. A state Office of Consumer Advocate was established to represent the public interest in rate cases and the Office of General Counsel was created to provide legal support to the Commission.

State government reorganization in 1986 renamed the Iowa State Commerce Commission and included the agency in an umbrella regulatory agency, the Department of Commerce. The new name, Iowa Utilities Board, reflected the absence of the grain warehouse function that was transferred to the Department of Agriculture. Also that year, rate regulation ended for rural electric cooperatives and service regulation of municipal utilities was severely limited. The Office

of Consumer Advocate was made a division of the Department of Justice.

In 1989 the legislature abolished the practice of shared technical staff by the Utilities Board and the Consumer Advocate. Staff positions were transferred to the Consumer Advocate when this occurred. The Board was also given authority to oversee mergers and acquisitions of utility companies. The 1990 General Assembly, at the Board's urging, gave the Board authority to oversee gas and electric utilities' energy efficiency activity.

The 1980s saw the beginning of a move away from regulation in the gas and electric industries. In the mid-1980s, the Federal Energy Regulatory Commission (FERC) began opening interstate natural gas pipelines to competitive gas suppliers. Congress fully deregulated sales of natural gas, but the interstate transportation of natural gas was still regulated by FERC. As a result, gas could be obtained

competitively at hundreds of delivery points in Iowa. Industrial customers in Iowa have been purchasing gas in the open competitive market and transporting it through their local utilities' facilities to their plant locations since the late 1980s. Certain barriers, however, prohibited small volume customers from participating in the competitive market. In 1997 the Board adopted new rules that required the gas utilities to propose comprehensive plans or tariffs to provide access for small volume customers.

The electric industry was also changing. The federal Energy Policy Act of 1992 (EPACT) permitted independent power



producers (IPPs) to enter the wholesale power market where they could sell electric capacity and energy to utilities at unregulated market rates. EPACT also authorized the Federal Energy Regulatory Commission (FERC) to require electric utilities to open their transmission systems for wholesale transactions. The apparent success of competition in the wholesale electric market led to growing pressure to allow retail competition as well. In 1995 the Board began formal study of this issue with an inquiry into emerging competition in the electric industry. In 1998 a legislative proposal for electric competition was submitted to the legislature by a group of industrial and retail consumers. The General Assembly delayed debate on the measure and established a committee that met during the 1998 interim to consider issues associated with possible electric restructuring.

Telephone price regulation was authorized in 1995, along with laws encouraging the development of local telephone competition. The federal

Telecommunications Act of 1996 opened the local telecommunications market to competition and gave state commissions the authority to determine prices for the use of the telephone network. After the Federal Communications Commission issued rules setting nationwide pricing standards, the Board was the lead petitioner in federal court arguing for state authority to determine appropriate prices for specific states without FCC intervention. In July 1997 the U.S. Court of Appeals agreed with the Board that states should set prices. The case was appealed by the FCC to the U. S. Supreme Court. In October the general counsel of the Board represented 29 states before the U. S. Supreme Court. A decision is expected in early 1999.

In 1997 the Board, through a strategic planning process, worked on ways to restructure the agency to respond to changes in the utility industry. Four staff teams made recommendations in 1998 on structure, leadership, training, and a web site. A new organizational structure was introduced with six section managers reporting directly to the executive secretary. ●



# 1998 Summary

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**T**he Board, in response to the changing needs of competition in utility markets, conducted a thorough internal review in 1997.

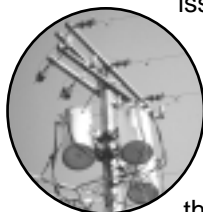
In addition to the traditional responsibilities of setting rates and regulating service for monopoly providers, the Board also needed flexibility to function in new ways including providing a forum to resolve disputes between competing providers, serving as a resource for neutral consumer information, and ensuring competition is given every opportunity to develop in Iowa. In the spring of 1998 the Board adopted a new organizational structure to address the changing historic functions of the agency.

Also in 1998 the Board relocated its offices because of the renovation of the Lucas State Office Building.

In March the division moved to commercially leased space away from the capitol complex.

- energy
- telecommunications
- year 2000

## Electric



**T**he Board continued its investigation into electric restructuring. In 1998 staff teams issued draft reports for Advisory Group comment in Docket NOI-95-1 on seven issues: Customer Assessment and Information, Market Structure and Power, Reliability, Transition Costs/Benefits, Public Benefits, Universal Service, and Environmental Impacts. In early December the Board sent its draft proposal outlining restructuring legislation to the Advisory Group.

In August 1998 an interested group of stakeholders began meeting to explore the development of restructuring legislation. Participating in the discussions were the investor-owned utilities, the municipal utilities, the rural electric cooperatives, Iowans for Choice in Electricity (ICE), the Iowa Farm Bureau, staff from the Office of the Consumer Advocate, and staff from the Utilities Board. Also presenting their views were representatives from the Iowa Brotherhood of Electrical Workers and the Iowa Community Action Association. Meetings continued throughout the fall. The group focused on finding areas of agreement on the end state view of electric restructuring specific to Iowa. Transition issues were also discussed.

Meanwhile, the 1998 Iowa General Assembly established a legislative interim study committee to begin formal consideration of the issues associated with possible electric industry restructuring. Meetings were held in the fall with the purpose of developing recommendations regarding deregulation and restructuring of the industry.

In August the Board approved MidAmerican Energy's pilot project for residential and commercial customers and a Market Access Service for industrial customers. In November MidAmerican filed a petition (SPU-98-12) with the Board to delineate distribution and transmission facilities using the seven-factor test in FERC Order 888 and to transfer facilities now classified as transmission to distribution. The company stated the reclassification was necessary to move these facilities from FERC jurisdiction to state jurisdiction. ●

## Natural Gas

**B**oard rules require gas utilities to file either a tariff or a plan to make it feasible for small customers to buy gas from a gas marketer other than the distribution utility. Three of the five gas distribution companies filed unbundling plans for small-volume gas transportation customers in 1998. Two more unbundling plans are to be filed in early 1999.



On November 26 the Board approved a two-year small-volume transportation service pilot project for IES Utilities to offer transportation service to public schools on the IES system. In addition the Board issued an order on December 28 initiating a notice of inquiry (NOI-98-3) to establish workshops with a goal of developing common end-states for some issues.

On October 27 MidAmerican Energy filed to increase its annual revenues for gas distribution by \$18.5 million or 4.5%. MidAmerican requested a temporary increase of \$16.3 million or 4.0%. On November 25 the Board ordered a formal investigation (RPU-98-5) of the proposed increase.



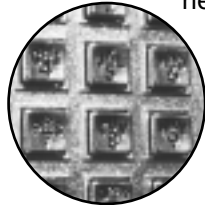
Construction of Northern Border Pipeline's 36-inch diameter "Chicago Project" pipeline was completed in 1998. In 1999 Alliance Pipeline will commence construction of another 36-inch pipeline across Iowa. Iowa inspects the construction of interstate pipelines for compliance with pipeline safety standards as Interstate Agent for the U.S. Department of Transportation, Office of Pipeline Safety.

The Board continued to participate in federal pipeline safety programs and remained eligible for up to approximately \$151,000 in federal grant repayments. The Board is reimbursed for up to 50% of the cost of the natural gas safety inspections through a grant from the U.S. Department of Transportation. ●

## Water



In April Iowa-American Water Company filed a proposed water rate increase of \$3.086 million or 17.12%. A settlement agreement of \$1,836,329 or 10.2% was approved in September. ●



**T**he Utilities Board filed a petition for review of the Federal Communications Commission's rules governing local telecommunications competition. Twenty-seven states and the National Association of Regulatory Utility Commissioners joined the Board in this case. The petitioners argued that the FCC exceeded its authority in promulgating the FCC's rules and specifically challenged the rules regarding the prices that an incumbent local exchange carrier may charge an incoming competitor for interconnection, unbundled access to network elements, and resale of its services. On July 18, 1997, the 8<sup>th</sup> Circuit Court of Appeals vacated the FCC's pricing rules finding the FCC had exceeded its authority under the Act. The U.S. Supreme Court granted petitioners' writs for certiorari and the case was briefed and oral argument held on October 13, 1998. The General Counsel of the Utilities Board represented the 29 states before the Supreme Court. A decision should be issued sometime in the spring.

Under the Telecommunications Act, rural telephone companies are exempted from some of the duties imposed to actively facilitate competition. The rural exemption created by the Act may be lifted by the Board after a request for interconnection or network elements by a potential competitor, unless the request is unduly economically burdensome, is not technically feasible, or will harm universal service. The Board ended the rural exemptions of Heartland Telecommunications Company and Winnebago Cooperative Telephone Association in 1998.

In November the Board ordered U S West to provide intraLATA toll dialing parity beginning February 9, 1999, the earliest date allowed under the Telecommunications Act. Customers would then have a choice of long distance carriers for direct-dialed toll calls within a LATA.

The Board initiated an inquiry, NOI-98-1, to investigate issues related to nondiscriminatory access by competitive local exchange carriers (CLECs) to operational support systems (OSS) of U S West and GTE. The inquiry was initiated to monitor the implementation of interconnection agreements and because of an expected filing by U S West under § 271 of the Act. In this filing U S West is expected to request authority to enter interLATA markets within its region. In its request U S West would have to show it has met a 14 point competitive checklist as required by the Telecommunications Act. The order established a workshop and provided a list of discussion issues.

Several municipal utilities have applied for certificates to offer local telephone service. To date, the Board has granted a certificate to only one municipality, the City of Hawarden. In a related case, the Iowa Supreme Court ruled that Iowa municipalities are not authorized to own or operate telephone utilities even though a 1997 statute grants the Board authority to issue certificates to municipal utilities. The decision is under reconsideration. The 1999 General Assembly is also expected to address this issue.

In November U S West implemented a Board approved price cap plan (RPU-98-4). The plan reduced basic service rates by 3% and reduced intrastate access service rates to the December 31, 1997, average interstate access rate levels. As part of the final price plan, U S West filed an Iowa modernization component. ●



The Board's Y2K outreach activities began with a survey mailed to over 500 utilities in April 1998. In July surveys were mailed to over 200 non-rate regulated interexchange carriers. The results of the survey showed a wide range of utility company awareness. In September 1998 the Board initiated a formal Notice of Inquiry (NOI-98-2) into Year 2000 Readiness among Iowa Utility Companies. The Board sponsored a roundtable meeting in October featuring speakers from the Federal Communications Commission, the Federal Energy Regulatory Commission, the North American Electric Reliability Council, and the National Regulatory Research Institute. In November a task force, representing all types of utilities, business and industry groups, the Consumer Advocate, and the State Project 2000 Office, was formed to help facilitate the flow of information among utility companies, customers, and the Board. ●

# agency strategic planning

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**The Board completed a thorough internal review of the agency in the spring of 1998. It recognized that the historic functions of the Utilities Division have changed and will continue to change, as utility industries become competitive.**

The process began in late 1996 when the entire agency participated in a two-day retreat to begin the strategic planning process. Vision and mission statements were developed and agency goals were identified and prioritized.



Three staff teams were formed in early 1997 to review the structure of the agency, leadership development within the agency, and training needs. As a result, a new organizational chart was adopted in June 1998. The new flattened structure eliminated the bureau chief level of middle management. Six section managers now report directly to the executive secretary who serves as the chief operating officer. The six new sections are Customer Service, Energy, Engineering and Safety, Information Technology, Policy Development, and Telecommunications. The position of deputy executive secretary was created to back up the executive secretary, supervise three areas in the agency, prepare the budget, and oversee training plans. ●

# iowa utilities board

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## vision

- To provide our customers with high quality services through innovative and progressive policies, practices, and personnel.

## mission

- To consider and balance the public interest by providing an appropriate regulatory framework for the provision of utility services.

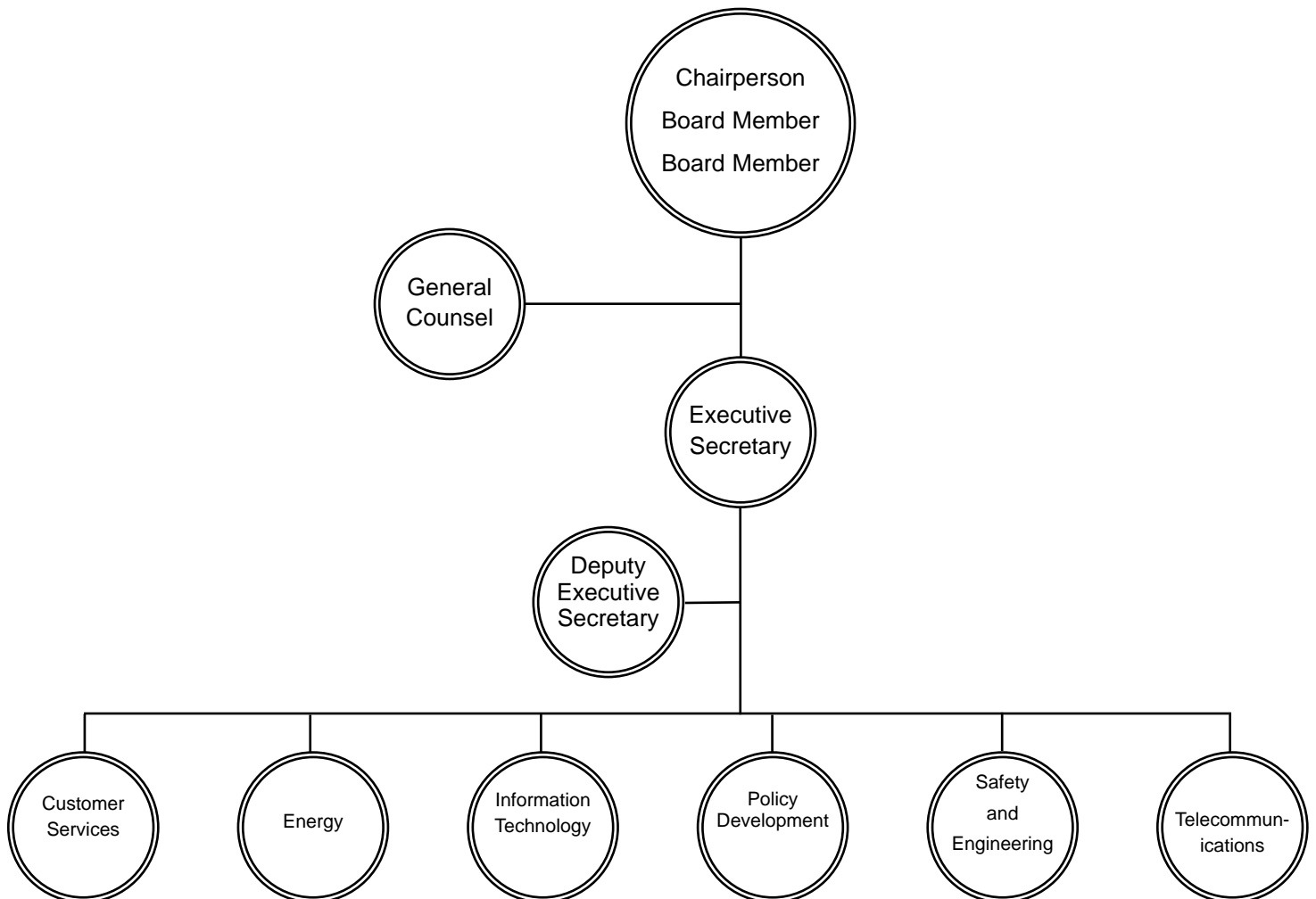
## goals

- To ensure that Iowa's electric, gas, water, and telecommunication utilities can provide and deliver safe and reliable services to Iowa consumers at reasonable costs.
- To assist customers in their interactions with utilities.
- To encourage the efficient use of energy to meet consumers' energy needs.
- To foster a utility environment conducive to economic development in Iowa.
- To promote greater efficiencies in the management, production, and delivery of utility services.
- To pursue the state's regulatory objectives in a manner that minimizes the cost of regulation.

# organization of the agency

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## Iowa Utilities Board Table of Organization



# executive secretary

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## Raymond K. Vawter, Jr.



***Raymond K. Vawter Jr. was appointed executive secretary to the Utilities Board July 1, 1989.***

***Prior to this he was the chief of the Board Members' Staff and administrator of the Utilities Division. A native of Atlantic, Iowa, he has been with the agency since 1967. He has been chair of the NARUC Staff Subcommittee on Executive Directors and is currently a member of that committee. Vawter has also served on the IowaAccess Project Team that developed the state's electronic commerce business plan. He also is a member of the Institute of Public Leadership's Selection Committee for the Common Ground Leadership Award.***

Appointed by the Utilities Board under IOWA CODE ch. 474, the executive secretary oversees the operation of the agency and assists the Board in assuring that the work of the agency is completed efficiently and effectively.

During the 1998 agency reorganization the executive secretary became the chief operating officer of the agency. The deputy executive secretary, the six section managers, and the federal and legislative coordinator now report to the executive secretary.

The executive secretary is also the custodian of the board seal and all board records. The executive secretary, deputy executive secretary, or secretary's designee is responsible for attesting the signatures of the board members and placing the seal on original board orders. The secretary, deputy executive secretary, or the secretary's designee is also responsible for certifying official copies of board documents. The establishment of procedures for the examination of board records by the general public pursuant to the provisions of IOWA CODE § 22.11 and for providing for the enforcement of those procedures is also a responsibility of this office. ●

# deputy executive secretary

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## Judi Cooper

*Judi K. Cooper has worked for the Utilities Board since July of 1982. In May of 1998 she was appointed deputy executive secretary, a newly created position in the internal reorganization of the Utilities Board. Prior to her appointment, she served in the Electric Rates Section of the agency. She earned a bachelor of business administration degree in accounting from Iowa State University in 1982. She is a member of the NARUC Staff Subcommittee on Accounts.*



The deputy executive secretary is responsible for preparing the agency budget and serves in the absence of the executive secretary. Additional duties include supervising the receptionist staff, records center, and the technical library. The receptionist staff directs incoming calls/guests and prepares the Board's weekly hearing and meeting calendar. The records center receives and maintains all filings made with the Board and ensures orders are served to parties to a docket. The technical library maintains a collection of 3,000 volumes and 350 serial publications. In 1998 the library responded to 13,650 inquiries and research requests. A portion of the research is conducted through on-line services and interlibrary loan networks. ●



## Records Center Filings

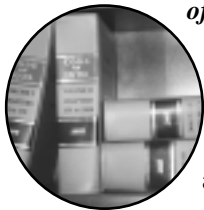
Accounting ruling	1
Alternate energy production proceeding	1
Annual review of fuel procurement	3
Annual review of gas	5
Arbitrated interconnection agreement	1
Arbitration proceedings	2
Complaints	288
Declaratory ruling	1
Energy adjustment clauses	38
Energy efficiency plans	28
Formal complaints	5
Generating certificate	1
Hazardous liquid pipelines	10
Investigation	1
Negotiated interconnection agreements	40
Notice of inquiry	3
Nuclear plant decommissioning	1
Purchased gas adjustments	84
Rate notifications	7
Gas & electric	1
Telephone	5
Water	1
Rate proceedings	5
Refund plans	22
Gas & electric	21
Telephone	1
Rule making	2
Rural exemption telephone	2
Service proceedings	13
Small volume gas transportation services	5
Tariff revisions	326
Gas & electric	58
Telephone	262
Water	4
Telephone certificate proceedings	25
Waiver requests	49
<b>Total</b>	<b>969</b>

# general counsel

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## Diane Munns

*Diane Munns, general counsel for the Utilities Board, has worked for the agency since 1983 and was named its general counsel in 1994. She is a graduate of Drake University Law School. Previously she was employed by the Iowa Attorney General's Office. She is a member of the NARUC Subcommittee on Law.*



The Office of General Counsel was created July 1, 1983, to serve as legal advisor to and attorney for the Utilities Board. General Counsel renders legal opinions to the Board on matters arising under the Iowa Code and the Board's administrative rules. General Counsel drafts Board decisions, orders, and rules. The office also provides legal advice to the Board's staff.

In 1998 the general counsel represented the Board in its continuing challenge of the Federal Communications Commission's (FCC) pricing rules for use in interconnection proceedings adopted following passage of the Telecommunications Act of 1996. The Board, representing 27 other states, had successfully argued to the Eighth Circuit Court of Appeals that the FCC lacked jurisdiction to adopt such rules. The case was appealed by the FCC to the U. S. Supreme Court. In October 1998 the general counsel argued the position of the states before the Supreme Court.

The office also continued to represent the Board before state and federal courts in numerous proceedings that challenge the Board's implementation of state and federal law. ●

# customer services

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## Chuck Seel, Manager



*Chuck Seel joined the agency in 1998 as manager of the Customer Services Section and also serves as the chief public information officer for the Board. His professional background includes 16 years with a Midwestern energy utility serving in various capacities including director of customer service and director of public relations. He has a B. A. from Kansas State University and has earned the APR professional certification from the Public Relations Society of America. He is also a member of the NARUC ad hoc Staff Subcommittee on Consumer Affairs.*

The Customer Services staff of the Utilities Division responded to nearly 5,000 customer contacts in 1998. These took the form of telephone inquiries, written complaints, and general correspondence. In addition, staff reviewed nearly 500 written comments regarding pending rate proceedings. The number of telephone calls and formal complaints increased slightly over 1997 and continued the trend towards increased activity in telecommunications and declining activity in the energy sectors.

The staff of three utility analysts came under the supervision of a new manager near the end of 1998. Staff analysts receive and review formal customer complaints, solicit input from the affected utilities, and seek resolution of the issues. If either the customer or the company is not satisfied by the proposed staff resolution, they have the right to request a formal hearing before the Board. There were no such formal hearings in 1998.

When customers call staff about their concerns with utility service, the staff usually is able to contact the utility by telephone and bring resolution to the issue. General correspondence issues raised by customers vary from generalized concerns to requests for information regarding utility regulation.

With the deregulation of the telephone industry, the Board has experienced a tremendous growth in customer concerns related to telecommunication services. Some of these complaints were outside the jurisdiction of the Board in 1998. In these cases, staff directed customers to resources such as the FCC and the Consumer Protection Division of the Attorney General. ●

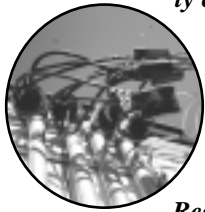
## 1994 – 1998 Customer Service Contacts

<b>Written Complaints</b>	<b>1994</b>	<b>1995</b>	<b>1996</b>	<b>1997</b>	<b>1998</b>
Electric	132	131	113	71	81
Gas	38	18	16	15	12
Telephone	281	440	262	204	218
Water	0	6	0	0	0
<b>Telephone Calls</b>					
Electric	832	750	1043	914	710
Gas	248	178	109	157	116
Telephone	934	1,020	1,133	1,311	1,402
Non-local telephone	438	664	554	796	1,068
Water	6	8	3	4	6
General Inquiries	723	1,006	955	1,139	1,019
<b>Total Contacts</b>	<b>3,632</b>	<b>4,221</b>	<b>4,188</b>	<b>4,611</b>	<b>4,632</b>

# energy section

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## Bill Adams, Manager



*Bill Adams has served in many positions since joining the agency in 1980, including supervisor of the Telephone Rate Section, supervisor of the Gas Rate Section, and assistant bureau chief of the Bureau of Rate and Safety Evaluation. Adams formerly held positions with a utility company, a manufacturing company, and an educational facility. He holds a B.S. in accounting from San Diego State University. Adams currently serves as the agency representative on the National Association of Regulatory Utility Commissioners (NARUC) Staff Subcommittee on Gas and has served as vice chairman and chairman of this subcommittee. He has been a member of the faculty for the NARUC Annual Regulatory Studies Program and the Advanced Regulatory Studies Program.*

During the reorganization in 1998 the Audits and Electric Rates Section and the Gas and Water Section were merged to form the new Energy Section. This provided the division with greater flexibility to address the changing needs of a competitive energy industry environment.

Responsibilities of this section include providing analysis and recommendations on tariff filings, rate proceedings, annual fuel purchase reviews, service territory disputes, and restructuring issues. In addition, members of the energy section provide analysis and recommendations to the Board on the purchase of coal and natural gas by the investor-owned utilities. The two hundred plus filings processed by the energy section in 1998 included new issues such as buy-through of electricity by the utility customer, changes in customer payments for line extension, and direct purchase of natural gas by small volume gas customers. The energy section also advises the Board on issues before the Federal Energy Regulatory Commission (FERC) and the Department of Energy (DOE).

Staff members reviewed the plan for reorganization filed in September by MidAmerican Energy and CalEnergy Company, Inc. (SPU-98-8). If the acquisition is completed, MidAmerican would be the first traditional, investor-owned, vertical utility in the United States acquired by an independent power producer, CalEnergy.

The energy section participated on staff teams in the Board's continuing investigation into the restructuring of the electric industry. Members of the energy staff also served

on teams developing pilot projects for electric choice. In August the Board authorized MidAmerican Energy to conduct a seven-year pilot for industrial and large commercial customers and a two-year pilot for residential and small commercial customers.

In November MidAmerican filed a petition (SPU-98-12) with the Board to delineate distribution and transmission facilities using the seven-factor test in FERC Order 888 and to transfer facilities now classified as transmission to distribution. The company stated this reclassification was necessary to move these facilities from FERC jurisdiction to state jurisdiction. Energy staff will make recommendations to the Board on this petition. The Board's determination will be submitted to FERC for confirmation.

Several proceedings in 1998 involved small volume gas transportation. Board rules require gas utilities to file either a tariff or a plan to make it feasible for small customers to buy gas from a gas marketer other than the distribution utility. The five gas distribution companies filed unbundling plans for small volume gas transportation customers in 1998. Staff analysis of these plans is ongoing. In November the Board approved a two-year small volume transportation service pilot project for IES Utilities to offer transportation service to public schools on the IES system. In addition the Board issued an order in December initiating a notice of inquiry to establish workshops with a goal of developing common end-states for issues including customer education, standards of conduct, and marketer certification.

Section staff led teams investigating several rate cases in 1998. In April Iowa-American Water Company filed a proposed water rate increase of \$3.086 million or 17.12%. A settlement agreement of \$1,836,329 or 10.2% was approved in September. In October MidAmerican filed to increase its annual revenues for gas distribution by \$18.5 million or 4.5%. MidAmerican asked for a temporary increase of \$16.3 million or 4.0%. This rate case is pending. ●

# engineering & safety section

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## Donald J. Stursma, Manager



***Donald J. Stursma joined the agency in 1981 as principal gas and water engineer, and was later promoted to manager of the Engineering & Safety Section. He received a degree in civil engineering from Iowa State University in 1974 and is a licensed professional engineer.***

***He is a member and past chairman of the National Association of Pipeline Safety Representatives (NAPSR) and serves on its Grant Allocation/Strategic Planning, Liaison, Articles of Association, State/Industry Regulatory Review, and Pipeline Employee Performance Group Committees. Other memberships include the NARUC Engineering Subcommittee on Pipeline Safety, the American Society of Civil Engineers (ASCE), and the American Society of Mechanical Engineers (ASME) B109 Committee and B31 Advisory Group. He is an Iowa native from the Leighton and Pella area.***

## Pipeline

Action in four dockets was taken on natural gas pipeline permits under IOWA CODE ch. 479. Included in these dockets were one petition for a new permit, two petitions for amendment to permit, and one petition for a renewal permit. The petition for a new permit involved approximately four miles of by-pass pipeline in Sheldon. One of the petitions for amendment to permit involved the construction of an additional natural gas pipeline that provided more gas to Pella to meet the growing demand and the other increased the maximum operating pressure in the pipeline to Indianola. The renewal permit was for the pipelines to and from the LNG tank in Bettendorf.

Eleven petitions for existing hazardous liquid pipelines and one petition for a new hazardous liquid pipeline were filed under IOWA CODE ch. 479B. This law requires hazardous liquid pipeline operators already in operation in the state on the effective date of the legislation to apply for a permit for the pipeline. The Safety and Engineering Section reviewed the eleven petitions for existing pipelines and, when they were in order, sent recommendations to the Board that permits be issued. The new permit was for approximately three miles of hazardous liquid pipeline in Clinton County that was part of a project that extends into Illinois.

Thirty-seven natural gas operators and utilities were inspected for compliance with safety standards. These inspections were conducted as part of a partnership agreement with the U.S. Department of Transportation, Office of Pipeline Safety. This number comprises 57% of the operators under federal pipeline safety jurisdiction in Iowa. A total of 232.40 person-days were spent on 33 intrastate operators, which included 24.50 person-days on transmission pipeline construction and 15.40 person-days on drug and alcohol testing programs.

There were a total of four interstate operators inspected in 1998. There were 129.70 person-days spent on these inspections, which included 103.20 person-days on construction projects and 1.40 person-days on drug and alcohol testing programs.

As an interstate agent for the Office of Pipeline Safety, the Safety and Engineering staff was involved in the inspection of the Northern Border pipeline. This was a 36", parallel pipeline between Garner and Harper and a 30" pipeline from Harper into Illinois. Staff will be active in the inspection of Alliance Pipeline that will be built in 1999.

The Utilities Board is reimbursed for up to 50% of the cost of the natural gas safety inspections through a grant from the U.S. Department of Transportation. The grant amount requested for 1998 was \$151,112. The Utilities Board received \$121,999 in 1998 for the work done in 1997.

## Electric

In 1998 the Board's two electric field inspectors called upon 203 utilities operating electric supply lines throughout Iowa. They made inspections of records at 238 offices and conducted 780 safety code compliance inspections of electrical lines and facilities. These inspections also reviewed the utilities' compliance with the inspection and maintenance plans required by IOWA ADMIN. CODE 199-25.3.

A total of 56 electric franchise proceedings (E-dockets) were initiated in 1998 pursuant to IOWA CODE ch. 478. This included 15 petitions for a new franchise, 7 petitions for amendment of an existing franchise, and 34 petitions for extension of franchise. In addition, docket numbers were assigned to 7 proposed electric line projects that did not proceed beyond the informational meeting stage by the end of the year. A Board engineering staff member presided over 11 informational meetings held pursuant to IOWA CODE § 478.2. Also, as part of franchise proceedings a total of 58 route and/or safety inspections were conducted. A hearing was held as required by law on a petition for



franchise that requested the right of eminent domain, and against which objections had been filed.

During the year the Board issued 9 new franchises, 7 amendments to existing franchises, and extended 7 expiring franchises. These include final actions taken on petitions filed in years preceding 1998. Three petitions filed in 1998 were withdrawn for primarily procedural reasons. At the beginning of 1998 a total of 27 franchise petitions were before the Board; 7 for new franchise or amendment and 20 for extension of franchise. At the end of 1998 there were 57 petitions on file; 10 for new franchise or amendment and 47 for extension. The increase reflects the large number of petition filed in 1998.

Pursuant to IOWA AMIN. CODE 199-25.5, utilities filed accident reports on 12 electric contact accidents. Two of those accidents resulted in fatalities. Staff conducted field investigations at four of the accident sites. The engineering staff also investigated and made recommendations on safety and service matters in three citizen complaints received by the Board.

During this past year, the Safety and Engineering staff made eight presentations to groups of electric utility personnel. These presented information on electric line routing and safety issues, regulatory changes, and gave instruction on proper preparation of franchise petitions and exhibits. ●

# information technology

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## Margaret Munson, Manager

*Margaret Munson became manager of the newly formed Information Technology (IT) Section in May 1998. Previously, she was a utility analyst and the local area network (LAN) administrator for the Board. She joined the Board staff in 1990 after teaching college business courses at various institutions for ten years, including Iowa State University (ISU) and the University of Iowa. An Iowa native and a long-time Ames resident, Munson earned a B.S. in industrial administration (finance) from ISU, an M.S. in industrial administrative sciences (business) from ISU, and an M.A. in business administration (finance) from the University of Iowa. She holds an Iowa Certificate of Public Accounting. Munson serves as a member of the NARUC Staff Subcommittee on Computers.*



The Information Technology (IT) section was formed in May 1998 as a result of the Utilities Division's restructuring initiative. The IT section provides technology resources, training, support, and tools for the division. IT staff are responsible for maintenance and support of the division's local area network (LAN), including network hardware and software, desktop hardware and software, and user support. IT section staff provide strategic and tactical support for the division's present and future strategic business processes. Information Technology staff also coordinates functions with enterprise and external systems. During 1998 the IT section deployed upgraded network and desktop operating systems and applications software; new server, desktop, and printer hardware; and a network Internet connection and firewall. IT staff is responsible for updating and maintaining the division's web site and for technical development on the site. IT staff also works collaboratively with other sections in developing web site content.

During 1998 Information Technology staff played an integral part in both internal and external Year 2000 activities. Internally, IT staff completed the Year 2000 inventory, assessment, and remediation process outlined by the state Year 2000 Project Office for the division's information technology systems. Computer hardware and software that were not compliant were updated, replaced, or retired. Monitoring of division systems continues. IT staff worked with the Administrative Services Division of the Department of Commerce to gather information regarding the Y2K status of the Maple Street building and its systems and about the state vehicles used by our employees.

IT staff was also instrumental in the Iowa Utilities Board's Y2K outreach activities through NOI-98-2 to increase the level of awareness, increase communication and information sharing, and to keep Year 2000 issues before both regulated and non-regulated utility providers.

Information Technology staff also continued to participate in other division projects, such as the telecommunications assistive-devices equipment distribution program; annual utility financial and operating report filings; and electric restructuring. ●

# policy development

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## Lisa Stump, Manager

*Lisa Stump has managed the Policy Development Section since the agency's internal restructuring in 1998. Prior to that time, she managed the Research, Economics, and Finance Section at the Utilities Board. Before joining the staff of the Utilities Board, Ms.*



*Stump work as an economic consultant for Energy and Resource Consultants in Boulder, Colorado, and as aide to the chairman of the Arizona Corporation Commission. Ms. Stump holds a liberal arts degree with an emphasis in business/economics from Bethany College in Lindsborg, Kansas, and a M.S. degree in economics from the University of Wyoming in Laramie.*

The Policy Development Section provides forward-looking quantitative and qualitative analysis into various policy issues in the electric, telephone, and gas industries. Section staff also conducts inquiries, rule makings, and special projects.

The Policy Development Section played the principle role in the Board's electric restructuring work in 1998. Section staff provided leadership to the following teams in the Board's electric restructuring inquiry: Universal Service, Transition Costs and Benefits, Market Structure, Corporate Structure, Customer Information and Assessment, and Reliability. The work of the teams resulted in: (1) five draft staff reports (submitted for review to the Board's Advisory Group), (2) a customer survey of residential and small commercial customers regarding knowledge of electricity usage and restructuring, (3) negotiation of a residential and small commercial pilot project with MidAmerican Energy Company, and (4) a preliminary project with the Center for Global and Regional Environmental Research assessing the environmental impacts of electric restructuring. Section staff also worked extensively with stakeholders in the electric restructuring debate to develop consensus legislation.

In 1998 section staff completed the rule makings required as a result of 1996 legislative changes governing utility administration and cost recovery of energy efficiency programs. The section also took the lead in analyzing energy efficiency cost recovery and plan modification filings.

Section staff is specially trained to analyze the cost of capital, cost of service, and rate design testimony in contested case proceedings before the Board. Expertise in telephone costing theory and principles also resides within the section. In addition, the section conducts the financial analyses required in merger and other reorganization filings before the Board. Other work of the section includes generation plant certification, master metering requests, and customer meter referee tests. ●

# telecommunications section

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Sandra Adams,  
Manager

*Sandra Adams joined the Board in 1982. Since 1986 she has been the manager of the Telephone Rate Section. During the reorganization of 1998 Adams was named manager of the newly formed Telecommunications Section. She is a member of the NARUC Staff Subcommittee on Communications and as a part of that group, is the Leader for the Consumer Issues Subcommittee. Adams also serves as a NARUC representative on the University of Florida's Telecommunications Industries Analysis Project and is a member of the Federal/State Universal Service Joint Board Staff. She received a B.S. in accounting from Drake University and holds a CPA certificate.*



Since the passage of the 1996 Telecommunications Act new competitive communication providers continue to enter the marketplace. These providers offer an increasing variety of services from plain old telephone service (POTS) to high-speed digital private line services. Many of the filings initiated in 1996 and 1997 were finished in 1998 and several new proceedings were initiated but remain in process.

In July 1996 U S West filed a tariff to comply with Board rules regarding unbundling, number portability, and cost methodology. The Board expanded the scope of the docket to include the wholesale discount rate. On April 23, 1998, the Board issued a final decision and order including resale rates and inputs to be used in the Hatfield 3.1 model for unbundled network elements (UNE). On July 2, 1998, U S West filed a compliance tariff for UNEs and wholesale resale rates. On October 7 the Board issued an order rejecting U S West's tariff in part. On December 8, 1998, a revised tariff was approved.

In January U S West filed a tariff which provides customers returning to U S West waivers of certain charges up to \$100. The offering was identified as the "Win Back Program." The amount of the waiver varied based on usage. Objections were filed and the docket was assigned to an administrative law judge. On July 8, 1998, the ALJ issued a proposed decision order rejecting the tariff and finding "Win Back" a promotion which failed to comply with federal rules regarding promotions and resale. U S West filed an appeal of the proposed decision with the Board. A briefing schedule was issued and briefs were filed. The Board decision will be issued in January 1999.

Also in January, the United States District Court for the Southern District of Iowa issued its "Ruling Granting the Board and Board Members' Motion for a Limited Remand and Order." (Docket No. AIA-96-1 and AIA-96-2) The Court agreed with the Board that the decision in Iowa Utilities Board v. FCC and the Eighth Circuit Court's "Order on Petitions for Rehearing" changed the law applicable to the interconnection agreements arbitrated and approved by the Board. The Court chose not to rule on specific agreement provisions, directing the Board to "review the agreement, conduct any appropriate proceeding, and make any appropriate modifications." The Board issued a final order on remand in May 1998. U S West is appealing the Board's final order on remand. The main areas of contention are the Board's decision not to allow U S West's use of a SPOT frame for interconnection and collocation issues. MCI is also appealing the rates in the contract that were a result of Docket No. RPU-96-9.

In March Cox Communications, Inc. filed a request for arbitration to establish an interconnection agreement with U S West. Issues broadly included common collocation, unbundling of network elements, bona fide request process, and tandem switching and transport. In September the Board approved the agreement with some modifications. U S West then filed an exception concerning the Board's decisions on common transport, commingling of equipment, and SPOT frame provisions, which the Board denied.

In May GTE filed a copy of a letter to Winnebago Telephone Cooperative requesting to begin negotiations for interconnection and unbundled network elements. GTE also requested the Board to begin a proceeding to lift the Winnebago rural exemption. In September the Board issued an order ending Winnebago's rural exemption.

GTE filed an unbundled local network access tariff containing no rates. The tariff was docketed, however, the Board decided to coordinate the procedural schedule with the end of the remand in GTE Midwest Incorporated v. IUB.

In July 1996 McLeodUSA filed a complaint alleging U S West was failing to provide timely and accurate transfer of service to McLeodUSA customers. The Board issued a decision and order in this docket that found U S West was not processing orders for McLeodUSA as quickly as it was processing them for itself. The Board concluded this was discriminatory behavior that violated Iowa Code. The parties agreed that U S West would process McLeodUSA orders within five business days. In May 1998 the parties filed a proposed stipulation stating that the backlog has been eliminated and that the parties were developing a schedule for the development of an electronic data

interchange (EDI) for Centrex resale. The Board approved the stipulation and reports on the progress were filed. In October a hearing was held to determine whether the lack of flow through of an EDI for Centrex resale was discriminatory. A Board order regarding this matter should be issued early in 1999.

In July the Board initiated an inquiry to investigate issues related to nondiscriminatory access by competitive local exchange carriers (CLECs) to the operational support systems (OSS) of U S West and GTE. The order cited the reasons for initiating the inquiry were a desire to monitor the progress of implementation of interconnection agreements and an expected request by U S West to be authorized to provide service between LATAs. The initial workshop was held in September.

Legislation passed in 1998 provided U S West the opportunity to become a price regulated exchange carrier. On July 1 U S West filed its price plan. Issues in the docket included contracts, rate rebalancing and deaveraging, switched access rates, price ceilings for non-basic services, and an improved infrastructure modernization plan. On September 28, 1998, the Board issued an order modifying the price plan. U S West accepted the modified plan.

In October U S West and Cox filed an interconnection agreement which was the result of ARB-98-2. The agreement is under review.

GTE Midwest, Inc. and Bell Atlantic filed a merger application in October. The Board requested additional information from the parties. Hearing is set for January 1999.

Also in October, the Board issued an order initiating a proceeding to determine whether U S West should be required to provide IntraLATA toll dialing parity throughout its service territory on and after February 9, 1999, and if so, to determine what procedures U S West would follow to implement that requirement. On December 10, 1998, U S West filed its implementation plan. The hearing in this matter will be on January 21, 1999.



Tariffs are filed to change rate levels, add new services, offer promotional services, add or change various packages of services, clarify existing tariff wording, and separate existing services into components that telecommunication service resellers may offer. The telephone section processed 269 tariff filings in 1998 including:

<b>Tariffs for new telecommunications providers</b>	<b>24</b>
<b>Tariffs to add or modify local exchange extended service areas</b>	<b>17</b>
<b>Tariffs to change toll rates and services offered</b>	<b>16</b>
<b>Tariffs to add or change access</b>	<b>11</b>
<b>Tariffs to modify the low-income lifeline assistance program</b>	<b>7</b>
<b>Tariffs to modify directory service offerings</b>	<b>6</b>
<b>Tariffs to implement price plans (caps)</b>	<b>2</b>



## Relay Iowa

Under Title IV of the Americans with Disabilities Act of 1990, dual party relay services must be provided for both interstate and intrastate communications everywhere in the United States no later than July 26, 1993. A working committee was created, headed by the Iowa Utilities Board, to develop recommendations for a dual party relay system in Iowa. The committee's recommendations resulted in enactment of IOWA CODE ch. 477C that created the Dual Party Relay Service. Iowa's provision of dual party relay service was adopted by the legislature and became law in July 1991. The legislation provides that the Iowa Utilities Board will administer the provision of the dual party relay service.

A dual party relay service allows deaf, hearing-impaired, and speech-impaired persons using special equipment known as telecommunications devices for the deaf (TDDs or TTYs) to use the telephone system on a functionally equivalent basis to persons without communications impairments. Relay Iowa, as the state's dual party relay service is known, has been in operation since August 1, 1992, and is currently provided by Sprint, on contract with the Iowa Utilities Board until December 31, 1999.

The 1998 total minutes of use (MOU) of Relay Iowa was 1,952,640 minutes, compared to the 1997 MOU of 1,960,349 minutes (a 0.4% decrease). Inbound calls to Relay Iowa decreased 0.5%, from 326,080 calls in 1997 to 324,479 calls in 1998. In 1998 the average response time was 2.3 seconds. Voice carryover calls make up 7.4 percent of all relay calls.

Iowa's telecommunications relay service was re-certified by the Federal Communications Commission (FCC) on June 11, 1998. The original FCC certification expired July 25, 1998. The certification remains in effect for a five year period beginning July 26, 1998, and ending July 25, 2003.

## Equipment Distribution Program

On January 25, 1995, the equipment distribution program commenced operations in Iowa. The statewide equipment distribution program distributes assistive telecommunications devices to hearing-impaired, speech-impaired, deaf, and deaf-blind Iowans. Communications Services for the Deaf administers this program. Eligible recipients are issued vouchers from the program administrator for 95% of the average retail price of the equipment. If the price of the equipment exceeds \$1,000, the voucher is for 99% of the average retail price. The recipient has ownership of the equipment and is responsible for repairs. The Board sets a standard voucher amount for each type of equipment or equipment package.

The Board's contract with Communications Service for the Deaf (CSD) for this distribution and outreach program expired on December 31, 1998. A request for proposal was issued in 1998 to solicit bids for the administrator of the equipment distribution program. The contract was awarded to Deaf Services Unlimited, which will begin its duties on January 1, 1999. It is a two year contract with a one year option for extension.

In 1998, 534 vouchers for equipment valued at \$145,767 were received by the participants in the program. By far, the equipment most in demand were the text telephones (TTYs) and telephones with large buttons and amplifiers. There were 234 TTYs and 114 phones with large buttons and amplifiers made available through this program in 1998. In addition, 106 Clarity phones were distributed. TTYs are requested by most deaf recipients, whereas the Clarity phones and phones with large buttons and amplifiers are preferred by the hard of hearing. ●

Equipment Description	Number of Pieces	Total Amount
Clarity phone with and without accessories	106	\$15,803
Cordless phone with amplification	2	518
Computer software/modem with and without accessories	1	310
Hands free phone	1	379
Hearing aid compatible speakerphone with and without accessories	16	1,736
Loud ringer	5	221
Phone with large buttons & amplifier with and without accessories	114	15,433
Telebraille	0	0
Telephone in-line amplifier	11	401
Telephone in-line amplifier and loud ringer	7	569
Telephone signaler	3	142
TTY with and without accessories	234	102,181
Voice carryover phone with and without accessories	34	8,075
<b>Total</b>	<b>534</b>	<b>\$145,767</b>

## Accounting Rulings

Accounting rulings (ARUs) evaluate the proper method of accounting for certain expenses, investments, or revenues. An ARU does not affect a utility's rates until review in a rate case.

### **ARU-98-1 IES Utilities Inc. and Interstate Power Company**

On June 15 IES Utilities Inc. and Interstate Power Company filed a request for authority to defer Year 2000 costs relating to computer repair, update and repair of operating systems, and correction of equipment with embedded chips. On August 17 the Board acknowledged the companies' authority to create deferred accounts, but gave no assurance of recovery, either in a ratemaking or restructuring proceeding.

ARU

## Alternate Energy Proceedings

IOWA CODE § 476.41 encourages the development of alternate energy production facilities and small hydro facilities through the required purchase of available AEP energy by rate-regulated electric utilities. A complaint that a utility has failed to comply with the standards set in the law and Board rules is identified as an AEP proceeding.

### **AEP-98-1 Interstate Power Company**

On March 10 Interstate filed an application for acceptance of an alternate energy production contract with Hawkeye Power Partners, LLC. On April 9 the Board accepted the contract, however, the statutory AEP obligation is not fulfilled until the planned facility is completed and purchases are made as contemplated by the contract.

AEP

## Alternative Pricing Proposals

Alternative pricing proposal (APP) dockets are initiated when a utility files a proposal to set rates that are not based on traditional rate-regulation factors.

### APP-96-1 MidAmerican Energy Company

On June 4, 1996, MidAmerican filed an alternative electric pricing plan designed as a transition toward competitive, market-based electric prices and services for MidAmerican's customers. The plan also included a pledge not to raise electric rates until June 1, 2001, as well as a reduction of current rates to move prices toward a market-proxy developed by MidAmerican. The case was docketed on July 3. On August 1 the Consumer Advocate filed a petition to reduce MidAmerican's electric rates by \$101.5 million, or 10.7 percent. The amount was later reduced by the OCA to \$82.2 million, or 9 percent. On September 6 the Board docketed the Consumer Advocate's request as RPU-96-8 and consolidated it with APP-96-1. On October 24 the Board approved a reduction in MidAmerican's electric rates of \$8.7 million. On March 10, 1997, a proposed settlement was filed by some of the parties, including MidAmerican and OCA, which would resolve all outstanding issues in Docket Nos. APP-96-1 and RPU-96-8 with the exception of the Public Programs Charge (PPC) proposed by MidAmerican. The PPC is MidAmerican's proposal to show energy efficiency and alternative energy costs as a line item charge on customer bills. The Board approved the settlement agreement on June 27 and granted the motion to bifurcate consideration of the settlement from the remaining contested issue, the Public Programs Charge (PPC). On August 5 the Board conditionally approved the PPC contingent upon approval of a public education campaign designed to inform MidAmerican's customers on the benefits of the items to be included in the PPC – energy efficiency, alternate energy, and the alternate loan fund. MidAmerican filed its proposed public education campaign on September 15. The Board rejected the campaign on May 21, 1998. (See Docket No. APP-97-2.)

Also in the June 27 settlement agreement, MidAmerican agreed to negotiate with the signatories of the settlement to develop a Market Access Service Pilot (MAS) for commercial and industrial customers. On September 5 MidAmerican filed with the Board a proposed MAS tariff, TF-97-229, which, if approved, would allow MidAmerican's commercial and industrial customers to purchase electric service on an unbundled basis. Customers would be allowed a choice of suppliers for capacity, energy, and some associated services. The tariff was approved on August 21, 1998.

On September 11 the Board approved an amendment to the settlement agreement of June 17, 1997. It clarifies that parties to the original settlement may file an amendment to the agreement to recognize any changes in state or federal law. Further, if state or federal legislation requires MidAmerican to file unbundled electric rates prior to the expiration of the original settlement's rate freeze, any signatory to the settlement may propose that such unbundled rates be based upon a different cost of service than is implicit in the rates in the settlement agreement. Finally, the amendment granted an extension to MidAmerican for the filing of certain compliance filings.

On February 16, 1998, MidAmerican filed its return on equity calculation for electric operations for calendar year 1997 as part of the June 27, 1997, settlement agreement. The Consumer Advocate objected on March 5 and July 28. The calculation is important because the settlement provides that if MidAmerican earns more than a 12 percent return on common equity, 50 percent of any revenues in excess of the 12 percent earned shall be credited to non-contract customers. On September 25 the Board issued an order commencing a show cause investigation. On November 19 the Consumer Advocate withdrew its objection to MidAmerican's calculations based on its analysis that, even if successful, its proposed changes to MidAmerican's return on equity calculation would not result in the revenue sharing threshold being met.

On December 18, 1998, the Board issued an order requesting additional information from MidAmerican Energy concerning its flexible rate contracts. Specifically, MidAmerican was directed to file all standard contract forms, all nonstandard terms and conditions that MidAmerican included in any negotiated-price contracts that have been executed, and a summary of the number of customer contracts that have included each standard or nonstandard clause. The docket is pending.

**APP-97-1 (APP-96-1, RPU-96-8) and APP-97-2 (APP-96-1, RPU-96-8)  
MidAmerican Energy Company**

In APP-96-1, MidAmerican requested a Public Program Charge (PPC) which would show energy efficiency and alternative energy costs as a line item charge on customer bills. The Board conditionally granted the PPC on August 5, 1997, contingent upon Board approval of a public education campaign. On September 15, 1997, MidAmerican filed its proposed public education campaign. On August 20, 1997, MidAmerican filed an application to include gas energy efficiency cost recovery in its line item(s) billing. The filing was docketed on September 10 and consolidated with APP-97-2 on November 3.

On May 21, 1998, the Board rejected MidAmerican's Public Education Campaign (PPC). The Board was particularly concerned with the pretesting, monitoring and follow-up portion of the campaign. In addition, the Board found the proposed public education campaign did not adequately describe the programs or inform customers of the costs, benefits, and results of the programs to be included in the PPC.

**Annual Review of Electric Fuel Procurement Plans**

IOWA CODE § 476.6(16) directs the Utilities Board to conduct an annual proceeding (ARC) to evaluate the reasonableness and prudence of each rate-regulated public utility's procurement and contracting practices relating to the acquisition of fuel for use in generating electricity. Legislation passed in 1998 removed the requirement that the proceedings be held at least annually.

**ARC-98-150, ARC-98-151, ARC-98-156**

**Interstate Power Company, IES Utilities Inc., and MidAmerican Energy Company**

On May 13 Interstate and IES filed their annual electric fuel procurement plans with the Board. MidAmerican Energy filed its plan on May 15. Hearings were held on September 3. The docket is pending.

## Annual Review of Gas

IOWA CODE § 476.6(15) required an annual evaluation of the reasonableness and prudence of public utilities' natural gas procurement and contracting practices. The Board must also evaluate five-year forecasts filed by the utilities. These contested case proceedings are called ARGs. Legislation passed in 1998 removed the requirement that the proceedings be held at least annually.

### **ARG-97-150, ARG-97-151, ARG-97-156, ARG-97-222, ARG-97-225** Interstate Power Company, IES Utilities Inc., MidAmerican Energy Company, United Cities Gas Company, and Peoples Natural Gas Company, Division of UtiliCorp United Inc.

The natural gas procurement plans of these companies were docketed for review on December 1, 1997. On June 4, 1998, the Board approved the plans finding each utility was taking all reasonable actions to minimize its purchase gas costs consistent with ensuring an adequate long-term supply of gas. The Board also found no cost items it would likely disallow the utilities to recover in rates in the future.

### **ARG-98-150, ARG-98-151, ARG-98-156, ARG-98-222, ARG-98-225** Interstate Power Company, IES Utilities Inc., MidAmerican Energy Company, United Cities Gas Company, and Peoples Natural Gas Company, Division of UtiliCorp United Inc.

On September 24 the Board issued an order waiving the November 1 filing requirement for 1998. Instead the Board required the utilities to provide it with the minimal amount of information specified in the order. The information was due December 1.

## Declaratory Rulings

Declaratory ruling proceedings (DRU) may be initiated either upon request or by the Utilities Board itself. DRUs offer the Board's interpretation of the rules in their application to a particular hypothetical circumstance.

### **DRU-98-1 MidAmerican Energy Company**

On April 1 MidAmerican filed a request for a declaratory ruling as a result of a demand by one of its retail customers who requested access to MidAmerican's transmission and distribution system facilities so electricity could be procured from a third party. In the alternative, the customer requested a buy-sell arrangement where the customer would designate a wholesale supplier from whom MidAmerican would purchase electricity at a price to be negotiated between the customer and the supplier. MidAmerican asked the Board to address its rights and obligations within its exclusive service area and if this included generation, transmission and delivery. In addition, would MidAmerican be expected to decline demands for direct access?

The Board, on May 29, ruled the assignment of an exclusive area of service gives MidAmerican the exclusive right and responsibility to sell electricity including generation, transmission, and distribution. In answer to the second question, the Board found that under Iowa's statutory regulatory scheme, the Board would expect MidAmerican to decline a request for direct access. Also the Board found there is no substantive distinction between direct access and a buy-sell transaction undertaken at the direction of a retail customer where the utility is simply an intermediary providing transmission and distribution.

North Star Steel has appealed this docket in Polk County District Court.

DRU

## Electric Transmission Line Applications

Docket	Company	County	Type*	Filed	Granted
E-17394	Corn Belt Power	Buena Vista	AM1	07/17/98	09/09/98
E-17487	Central Iowa Power	Delaware	AM1	02/13/98	10/05/98
E-17488	Central Iowa Power	Dubuque	AM4	12/05/97	04/22/98
E-17529	Central Iowa Power	Buchanan	AM1	02/13/98	11/18/98
E-17550	Central Iowa Power	Jackson	AM2	12/05/97	04/22/98
E-17847	Central Iowa Power	Linn	AM1	02/13/98	10/05/98
E-20614	Central Iowa Power	Muscatine	AM3	09/02/98	10/20/98
E-21229	MidAmerican Energy	Polk	R	03/18/94	01/15/98
E-21312	Mt. Pleasant Muni.	Henry	N	11/29/95	10/08/98
E-21313	Mt. Pleasant Muni.	Henry	N	11/29/95	10/08/98
E-21333	Spencer Municipal	Clay	R	08/05/96	04/09/98
E-21334	MidAmerican Energy	Johnson	R	08/07/96	04/17/98
E-21345	MidAmerican Energy	Washington	R	01/21/98	10/20/98
E-21359	Corn Belt Power	Buena Vista	N	02/13/98	07/13/98
E-21366	MidAmerican Energy	Webster	R	09/04/97	12/11/98
E-21368	IES Utilities	Buena Vista	N	02/11/98	07/13/98
E-21377	Storm Lake Power	Buena Vista	N	04/23/98	08/21/98
E-21379	IES Utilities	Louisa	R	03/11/98	10/05/98
E-21389	Storm Lake Power	Buena Vista	N	04/23/98	08/27/98
E-21390	Storm Lake Power	Buena Vista	N	04/23/98	08/21/98
E-21391	Storm Lake Power	Buena Vista	N	04/23/98	08/27/98
E-21402	Interstate Power	Cerro Gordo	R	07/07/98	12/11/98

\* N - New  
 R - Renewal  
 AC - Added Circuit  
 IV - Increased Voltage  
 AM - Amend



## Formal Complaints

Formal complaint investigations (FCUs) are brought against a utility by another utility, a customer, or by the Utilities Board. FCU dockets are intended to determine if, in a specific instance, a utility violated Iowa law, rules, or the utility's own filed tariff.

### **FCU-96-6 McLeod TeleManagement, Inc. v. U S West Communications**

On July 12, 1996, McLeod filed a complaint alleging U S West was failing to use its Centrex system to provide timely and accurate transfer of service or initiation of service to McLeod customers. On October 10 the Board found that U S West had discriminated against McLeod by providing local exchange telephone services and essential facilities to McLeod on terms and conditions that were less favorable than those it provided to itself. The parties were also ordered to indicate how U S West might increase its order processing capacity to eliminate the delay in providing service to McLeod customers. Since October 10, 1996, the parties reported on reduction of delay on October 22 and December 23, 1996, and March 31, April 1, and June 13, 1997. On March 20, 1997, McLeod filed a motion to amend its formal complaint and on April 9 McLeod filed a motion to enforce prior Board orders. On May 15 the Board issued an order holding in abeyance consideration of McLeod's two pending motions. The order required the parties to file the schedule previously required by the Board and to include development of an electronic interface. On August 12 McLeod filed a motion to reinstate prior motions for civil penalty and to enforce the Board's orders. Board staff engaged in discussions with the parties during August and September to attempt to solve the backlog problem and to discuss the development of electronic interface between the parties. On June 25, 1998, the Board issued an order approving a stipulation of the parties which included agreement to establish a timeline to develop an electronic data interchange (EDI) interface, which would replace current ordering and provisioning of service. In filings on September 15 and 16 the parties notified the Board of disagreements concerning the meaning of the approved stipulation. A hearing was held on October 14 regarding the electronic data interface and the timeline. The case is pending.

### **FCU-97-1 Ray Scheetz v. MidAmerican Energy Company**

On September 5, 1996, Ray Scheetz filed a complaint against MidAmerican alleging he was improperly billed for part of the cost of extending a new gas service line from the gas main to his property and that he should be reimbursed for the cost of a pressure test of the gas piping inside his property. A hearing was held on April 11, 1997. The administrative law judge issued an order on August 26, 1998, finding Mr. Scheetz was responsible for the charges billed by MidAmerican. On September 10 Mr. Scheetz filed a notice of appeal. On September 29 the Board accepted the appeal. The case is pending.

**FCU-97-2 MCI Telecommunications Corporation v. U S West Communications, Inc.**

On April 15, 1997, MCI filed a complaint alleging the intrastate access charges of U S West were excessive and unduly discriminated against interexchange carriers. A similar complaint (FCU-97-3) was filed by AT&T Communications of the Midwest, Inc. on May 14. U S West filed motions to dismiss each complaint. On July 29 the Board dismissed both complaints. As a price regulated utility, GTE's rates for interexchange access services were mandated in the price regulation statute. In the case of U S West, a rate-regulated utility, piece-meal rate making is prohibited. MCI applied for reconsideration, which was denied by order on September 17. On July 1, 1998, MCI filed a request for stay of the complaint proceeding because of the price regulation plan filed by U S West on July 1. On October 16 MCI filed a "Dismissal Without Prejudice" stating the reductions in interstate access charges under the price plan of U S West, approved in RPU-98-4, would have a significant effect on the subject matter of the complaint. The Board dismissed the complaint and terminated the docket on November 30.

**FCU-97-5 and FCU-97-7 Heartland Telecommunications Company of Iowa v. City of Hawarden and Northwest Iowa Telephone Company**

On October 28, 1997, Heartland filed a complaint (FCU-97-5) alleging the City of Hawarden had improperly instructed U S West Dex to include listings for Hawarden's proposed telephone utility in the 1997/1998 directory for Siouxland North and Surrounding Area. Also, it alleged Hawarden had instructed U S West Directory Assistance to provide the telephone numbers for its anticipated customers even though they were still customers of Heartland and Hawarden had not received authority to provide telephone service. On November 24 Heartland filed a complaint (FCU-97-7) against Northwest Iowa Telephone Company alleging Northwest had no authority to provide land-line service in the Hawarden exchange. The dockets were consolidated on December 15 and assigned to an administrative law judge. On March 6, 1998, the Board issued a certificate to provide local telephone service to Hawarden. On April 14, 1998, Hawarden and Northwest filed a joint motion to dismiss the complaints. On April 16 Heartland filed a motion to dismiss its complaints because the underlying premise of its complaint was undermined by the issuance of the certificate to Hawarden. On May 8 an order was issued granting the motions to dismiss.

**FCU-97-6 Clarence Alan Larkin v. IES Utilities Inc.**

Mr. Larkin filed a complaint against IES on August 5, 1997, alleging he was overbilled for electric service during a period when the meter failed to register all of the electricity consumed at Mr. Larkin's home due to meter tampering. On September 24 he requested a formal proceeding which was docketed on December 19 and assigned to an administrative law judge. IES estimated the amount Mr. Larkin owed was \$47.52, which he was required to pay by order on August 7, 1998.

**FCU-97-8 (ARB-98-1) (RET-98-1) City of Hawarden v. Heartland Telecommunications Company of Iowa**

On August 22, 1997, the City of Hawarden sent a letter to Heartland regarding interconnection. The letter was not filed with the Board. On December 12 Hawarden filed a complaint alleging the failure of Heartland to negotiate and enter into interconnection agreements and attached a copy of the August 22 letter. On February 2, 1998, Heartland filed an answer and asserted for the first time that it was a rural telephone company under § 153(37) of the Telecommunications Act of 1996 and exempt from the requirements of § 251(c) of the Act. On January 29, 1998, Hawarden filed a petition for arbitration (ARB-98-1). On February 9 Heartland filed a motion to dismiss the petition for arbitration and again asserted its status as a rural telephone company. On February 25 the Board issued an order requiring the parties to file briefs regarding the question of whether Hawarden's August 22, 1997, letter was a "bona fide request." In its brief Heartland disputed Hawarden's "bona fide request". On March 6 Heartland filed a "Dismissal Without Prejudice" of its petition for arbitration. On March 12 the Board issued two orders. The first order dismissed the complaint proceeding without prejudice because the 90 day deadline for complaint proceedings would occur before the Board could determine whether Heartland qualified for rural exemption. The second March 12 order dismissed the petition for arbitration, found that Hawarden's letter was a bona fide request, and set the procedural schedule to consider Heartland's rural exemption (RET-98-1).

**FCU-98-1 PAM Natural Gas v. Peoples Natural Gas Company, Division of UtiliCorp United, Inc.**

On December 17, 1997, PAM filed a complaint alleging Peoples did not assess tariffed balancing and scheduling charges for gas purchased from Peoples or its marketing affiliate. The parties worked to resolve the complaint and Peoples agreed to offer customers nondiscriminatory balancing service independent of the customers' natural gas source. On July 27, 1998, PAM filed a motion to withdraw the complaint. The motion was granted on August 17.

**FCU-98-2 Heart of Iowa Communications, Inc. v. GTE Midwest Incorporated**

On April 20 Heart of Iowa filed a request for formal complaint proceedings against GTE over certain provisions of a negotiated interconnection agreement. The complaint concerns efforts by Heart of Iowa to provide service in Eldora. On April 29 Heart of Iowa filed a dismissal of the complaint, which was granted on May 8.

**FCU-98-3 Tel-Save, Inc. v. U S West Communications, Inc.**

On June 25 Tel-Save filed a complaint against U S West concerning U S West's PIC-freeze policies. On July 15 U S West filed an answer and a motion to dismiss. The Board issued an order in this docket on October 2. The motion to dismiss filed by U S West was granted with respect to its PIC designation freeze policies which affect the intrastate intraLATA and interstate interLATA traffic of its local exchange customers. Formal complaint proceedings were denied concerning the PIC-freeze policies of U S West which affect the intrastate interLATA traffic of its local exchange customers. Since U S West is prohibited from carrying any kind of interLATA traffic at the time of the order, U S West's PIC-freeze policies affect all interexchange carriers equally.

**FCU-98-4 Champion Spark Plug, An Unincorporated Division of Cooper Automotive Company v. IES Utilities Inc.**

On May 22 Champion filed an informal complaint (C-98-96) alleging IES was improperly attempting to bill Champion for past undercharges due to a faulty gas meter and/or use of incorrect billing constants at its facilities in Burlington. The disputed amount was in excess of \$500,000. The complaint was docketed as a formal proceeding on August 10. On September 25 Champion requested a stay which was granted on September 30. The case is pending.

**FCU-98-5 City of Hawarden v. Heartland Telecommunications Company of Iowa**

On October 26 Hawarden filed a complaint requesting the Board to order Heartland to program its switch to allow calls in the local and extended calling areas in South Dakota, to find Heartland's facilities essential, and to order Heartland to make the facilities available immediately. On November 5 Heartland filed a motion to dismiss stating Hawarden was not authorized to provide telephone service as a result of an Iowa Supreme Court decision issued on October 21, 1998. Hawarden's application for reconsideration is under consideration by the Court. The docket is pending.

**Generating Certificates**

Chapter 476A of the Iowa Code requires that an entity planning to construct a generating facility in excess of 100 megawatts (MW) must receive a certificate of public convenience, use, and necessity to begin construction. These proceedings are called GCUs.

**GCU-98-1 Archer-Daniels-Midland Company**

On August 17 ADM filed an application to expand its existing Cedar Rapids cogeneration plant from 150 to 230 MW. On August 26 ADM filed a request to waive the informational meeting required by Board rules. The waiver was granted because ADM would not be acquiring new land or easements to construct the proposed addition. The Board issued an order on September 30 identifying deficiencies in ADM's application and requiring information within 30 days. The docket is pending.

## Interconnection Agreements

### Arbitrations

Section 252(b) of the Telecommunications Act of 1996 gives the Board the authority to arbitrate the rates, terms, and conditions of interconnection agreements between competitors and incumbent local exchange providers (ARB).

#### **ARB-96-1 (AIA-96-1) AT&T Communications of the Midwest, Inc. and U S West Communications, Inc.**

On July 26, 1996, AT&T petitioned for arbitration regarding its local service competition negotiations with U S West. The petition was docketed for resolution August 9. On August 14 this proceeding was consolidated with ARB-96-2. Last-best offers, as ordered by the Board, were filed by AT&T, MCImetro, and U S West on September 19. On October 18 the Board issued a preliminary arbitration decision which resolved the issues in the consolidated proceedings by choosing AT&T's last-best proposed offer, with modification, and making the same terms applicable to the relationship between MCImetro and U S West. After exceptions to the preliminary decision were filed, the Board issued its final arbitration decision on November 27, which required the parties to execute and file a final agreement for board approval. The agreements were filed and identified as AIA-96-1 (AT&T and U S West) and AIA-96-2 (MCImetro and U S West). On December 12 U S West filed a motion for rehearing concerning the implementation schedule of its interconnection agreements or, alternatively, a motion to stay the schedule. On January 10, 1997, the Board denied the motion for rehearing because arbitration proceedings pursuant to 47 U.S.C. § 252 are not contested proceedings. The request for stay was also denied. Also on January 10 the interconnection agreement between AT&T and U S West was approved. On March 5 AT&T filed a motion to compel U S West to provide the information required by Attachment 13 of the Board-approved agreement. This information related to U S West's business processes and procedures and was due by February 13. On March 13 an order was issued giving U S West until March 21 to provide information. An April 4 order found U S West in continuing violation and levied civil penalties. AT&T, on June 18, filed its second motion to compel. On August 5 U S West filed a motion to terminate civil penalties. On September 11 the Board held consolidated hearings on the motion to terminate in AIA-96-1 and AIA-96-2. A briefing schedule was set on September 26. On February 27, 1998, the Board issued an order levying and terminating civil penalties. Additional civil penalties were levied for a continuing violation of paragraph 2 in the "Standards of Service" section of attachment 13 to the interconnection agreement relating to information to be provided to competitors. Civil penalties for the continuing violations found in the Board's order issued April 4, 1997, were terminated on June 13, 1997.

On February 7, 1997, U S West filed a petition in U. S. District Court challenging the interconnection agreements arbitrated and approved by the Board on January 10. The Board, at hearing on October 16, 1997, moved for a limited remand of the case to reflect the change in the law under the Eighth Circuit Court's decision in Iowa Utilities Board v. FCC issued on July 18, 1997. On January 14, 1998, the U. S. District Court for the Southern District of Iowa issued a ruling granting the Board request for a limited remand

to allow the Board to apply the standards established in Iowa Utilities Board, as well as other applicable federal and state law standards to AIA-96-1 and AIA-96-2. The Board consolidated AIA-96-1 and AIA-96-2 and established a remand procedure allowing the parties to identify the specific agreement provisions they believed to be affected by the Eighth Circuit Court decision. The parties proposed changes to over 600 provisions in the arbitration agreements. A hearing was held from March 31 through April 7, 1998. On May 15, 1998, the Board issued its final arbitration decision on remand in which significant modifications to the original agreement were made. The modified agreements were returned to the district court for its review. On June 4 U S West filed an application for reconsideration of the final arbitration decision on remand in the consolidated dockets. The Board issued an order on July 8 denying the application for reconsideration stating that Iowa Code provides for rehearing only in contested cases. Arbitrations under 47 U.S.C. § 252 are not contested cases.

### **ARB-96-2 (AIA-96-2) MCImetro Access Transmission Services, Inc. and U S West Communications, Inc.**

On August 9, 1996, MCImetro requested the Board arbitrate the rates, terms, and conditions of interconnection and related arrangements between it and U S West. The request was docketed on August 14. This docket has been consolidated with ARB-96-1(AIA-96-1) at both the Board and district court levels. The treatment has been the same with the exception of the amount of civil penalties, which was greater in the case of MCI.

### **ARB-96-3 (AIA-96-3) AT&T Communications of the Midwest, Inc. and GTE Midwest Incorporated**

On August 16, 1996, AT&T filed a petition requesting arbitration of the unresolved issues in the interconnection negotiations between itself and GTE. The petition was docketed August 30. Subsequently, GTE claimed it was a rural telephone company and therefore was exempt from certain obligations imposed by the Telecommunications Act of 1996. The Board later dismissed the claim. After the parties filed last-best offers, a preliminary arbitration decision was issued. The Board resolved the issues by choosing AT&T's last-best proposed offer, with modification, as the appropriate interconnection agreement. After exceptions to the preliminary arbitration decision were filed, the final arbitration decision was issued December 11. On December 26 the parties jointly filed an arbitrated interconnection agreement which was identified as AIA-96-3. At the same time, in lieu of signing the agreement, GTE filed a motion for reconsideration or clarification in which it objected to the requirement that the arbitration agreement be executed. On January 24, 1997, the Board approved the agreement and rejected the motion, noting "the lack of GTE's signature...is procedurally and substantively insignificant."

On March 4 the U. S. District Court for the Southern District of Iowa issued its "Order for a Limited Remand" in *GTE Midwest Incorporated v. Thoms, et al.* The remand was granted at the request of the Board and GTE. The Board was directed to apply the standards established in *Iowa Utilities Board v. FCC*, as well as other applicable federal and state law standards to the interconnection agreement between GTE and AT&T. The Board established a remand procedure allowing the parties to identify the specific agreement provisions they believed to be affected by the Eighth Circuit Court decision. On August 27, 1998, the Board issued its final arbitration decision on remand. The modified agreement was returned to the district court for its review.



### **ARB-98-1 Heartland Telecommunications Company of Iowa**

On August 22, 1997, the City of Hawarden sent a letter to Heartland regarding interconnection. The letter was not filed with the Board. On December 12 Hawarden filed a complaint alleging the failure of Heartland to negotiate and enter into interconnection agreements and attached a copy of the August 22 letter. On February 2, 1998, Heartland filed an answer and asserted that it was a rural telephone company under § 153(37) of the Telecommunications Act of 1996 and exempt from the requirements of § 251(c) of the Act. On January 29, 1998, Hawarden filed a petition for arbitration (ARB-98-1). On February 9 Heartland filed a motion to dismiss the petition for arbitration and again asserted its status as a rural telephone company. On February 25 the Board issued an order requiring the parties to file briefs regarding the question of whether Hawarden's August 22, 1997, letter was a "bona fide request." In its brief Heartland disputed Hawarden's "bona fide request". On March 6 Heartland filed a "Dismissal without Prejudice" of its petition for arbitration. On March 12 the Board issued two orders. The first order dismissed the complaint proceeding without prejudice because the 90-day deadline for complaint proceedings would occur before the Board could determine whether Heartland qualified for rural exemption. The second March 12 order dismissed the petition for arbitration, found that Hawarden's letter was a bona fide request, and set the procedural schedule to consider Heartland's rural exemption (RET-98-1).



### **ARB-98-2 Cox Iowa Telcom, L.L.C. and U S West Communications, Inc.**

On March 31 Cox filed a petition for arbitration. On June 4 U S West filed a motion to dismiss the unbundled network element and customer guide page issues from the proceeding and a motion to strike certain testimony. The Board denied both motions on June 17. On September 1 the Board approved the agreement with modifications. On September 11 U S West filed three exceptions to the decision. Cox filed a reply to the exceptions on September 15. On September 30 the Board denied the exceptions requested by U S West.

## Negotiated Interconnection Agreements

Section 252(b) of the Telecommunications Act of 1996 gives the Board the authority to approve the rates, terms, and conditions of negotiated interconnection agreements (NIAs) between competitors and incumbent local exchange providers. The agreement is docketed and written comments from interested parties must be filed within 30 days. The statutory standard to be applied in Board review is: (1) whether the agreement discriminates against a telecommunications carrier not a party to the agreement or (2) whether the implementation of the agreement or a portion is not consistent with the public interest, convenience, or necessity.

### **NIA-97-3 U S West Communications, Inc. and United States Cellular Mobile Telephone Network**

The parties filed a negotiated agreement on February 27, 1997. On April 17 the Board approved the agreement. On February 2, 1998, U S West and United States Cellular filed an amendment to the 1997 agreement. On February 27 an order was issued docketing the amendment for comments. No comments were filed and the amendment was approved by order on March 19.

### **NIA-97-4 U S West Communications, Inc., GTE Mobilnet of Davenport Incorporated, Iowa, RSA No. 4 Limited Partnership, and Iowa RSA No. 5 Limited Partnership**

On February 27, 1998, the parties filed three interconnection agreements for review. The agreements were docketed on March 7. No comments were filed. The agreements were approved by order on April 15. An amendment to the 1997 agreement was filed by U S West and GTE on February 2, 1998. The Board approved the amendment on March 19, 1998.

### **NIA-97-6 U S West Communications, Inc. and Commnet Cellular**

The parties filed an agreement on April 2, 1997. The agreement was docketed on April 17, however no comments were received. On May 9 the Board approved the agreement. An amendment to the 1997 agreement was filed on February 2, 1998. An order was issued on March 19 approving the amendment.

### **NIA-97-7 U S West NewVector Group, Inc., d/b/a AirTouch Cellular and U S West Communications, Inc.**

An agreement was filed by the parties on June 20, 1997. On August 25 an order approving the agreement was issued. On February 2, 1998, AirTouch Cellular and U S West filed an amendment to their 1997 agreement. The Board approved the amendment on March 31.



**NIA-97-9 U S West Communications, Inc. and Sprint Spectrum L.P.**

U S West and Sprint filed a negotiated agreement on June 12, 1997. It was docketed on June 20 and no comments were filed. On July 29 the Board approved the agreement. An amendment was filed on February 2, 1998, and approved on April 1.

**NIA-97-15 U S West Communications, Inc. and 360° Communications Company**

U S West and 360° filed a negotiated agreement on August 13, 1997. It was approved on September 26. On February 2, 1998, the parties filed an amendment, which was approved on April 1.

**NIA-97-24 U S West Communications, Inc. and FirsTel, Inc.**

U S West and FirsTel filed an agreement on October 28, 1997. The agreement was approved on January 5, 1998.

**NIA-97-25 U S West Communications, Inc. and U S Telco, Inc.**

The parties filed a negotiated agreement on November 20, 1997. On January 5, 1998, the agreement was approved.

**NIA-97-26 GTE Midwest Incorporated and Lost Nation Elwood Telephone Company**

On November 24, 1997, GTE and Lost Nation filed an agreement. The Board approved the agreement on January 21, 1998.

**NIA-97-27 GTE Midwest Incorporated and Lost Nation Elwood Telephone Company**

The parties filed an agreement on November 24, 1997. The Board approved it on January 5, 1998.

**NIA-97-28 GTE Midwest Incorporated, d/b/a GTE North Incorporated and Forest City Telecom, Inc.**

On December 1, 1997, GTE and Forest City filed a negotiated agreement that was approved by the Board on February 9, 1998.

**NIA-97-29 U S West Communications, Inc. and CommNet Paging, Inc.**

U S West and CommNet filed an interconnection agreement on December 18, 1997. The Board approved the agreement on February 3, 1998.

**NIA-98-1 GTE Midwest Incorporated, Contel of Minnesota, Inc. d/b/a GTE Minnesota, and Heart of Iowa Communications, Inc.**

On January 13 the parties filed a negotiated agreement. The Board approved the agreement on February 23.

**NIA-98-2 U S West Communications, Inc. and FiberCom, L.C.**

On February 6 U S West and FiberCom filed a negotiated interconnection agreement that was approved on March 19.

**NIA-98-3 U S West Communications, Inc. and Western PCS Corporation**

On February 17 U S West and Western PCS filed an agreement that was approved on April 1.

**NIA-98-4 GTE Midwest Incorporated, Contel of Minnesota, Inc., d/b/a GTE Minnesota, and GTE Communications Corporation**

The parties filed an agreement on February 23. The Board approved it on April 7.

**NIA-98-5 U S West Communications, Inc. and North American Telecom**

U S West and North American Telecom filed a negotiated agreement on February 27. The Board approved the agreement on April 7.

**NIA-98-6 U S West Communications, Inc. and Shellsburg Telecommunications, Inc.**

On February 27 U S West and Shellsburg filed an agreement that was approved by the Board on April 7.

**NIA-98-7 U S West Communications, Inc. and Advanced Network Communications, LLC**

The parties filed a negotiated interconnection agreement on March 4. The agreement was approved on April 13.

**NIA-98-8 U S West Communications, Inc. and Independent Networks L.C.**

On March 24 the parties filed an agreement that was approved by the Board on May 4.

**NIA-98-9 U S West Communications, Inc. and BTC, Inc.**

On March 30 U S West and BTC filed an agreement that was approved by the Board on May 6.

**NIA-98-10 U S West Communications, Inc. and CommChoice, LLC of Iowa**

On April 14 U S West and CommChoice filed a negotiated interconnection agreement. The Board approved the agreement on May 21.

**NIA-98-11 U S West Communications, Inc. and Twin Rivers Valley Telephone, Inc.**

On April 14 the parties filed an agreement that was approved by the Board on May 21.

**NIA-98-12 U S West Communications, Inc. and Comm South Companies, Inc.**

On April 28 U S West and Comm South filed a negotiated agreement which was approved by the Board on June 15.

**NIA-98-13 U S West Communications, Inc. and South Slope Cooperative Telephone Company, Inc.**

On May 27 U S West and South Slope filed an agreement that was approved by the Board on July 23.

**NIA-98-14 GTE Midwest Incorporated, Contel of Minnesota, d/b/a GTE Minnesota, and Corn Belt Communications, Inc.**

The parties filed a negotiated agreement on May 29. The Board approved the agreement on July 23.

**NIA-98-15 GTE Midwest Incorporated, Contel of Minnesota, d/b/a GTE Minnesota, and BTC, Inc.**

On June 2 the parties filed an agreement that was approved by the Board on July 23.

**NIA-98-16 U S West Communications, Inc. and Iowa Wireless Services, L.P.**

On June 5 U S West and Iowa Wireless filed a negotiated agreement which was approved by the Board on July 23.

**NIA-98-17 U S West Communications, Inc. and Dakota Services, LTD.**

On June 10 the parties filed an agreement which was approved by the Board on July 23.

**NIA-98-18 GTE Midwest Incorporated, Contel of Minnesota, d/b/a GTE Minnesota, and Coon Rapids Municipal Communications Utility**

On June 10 the parties filed an agreement which was approved on July 23.

**NIA-98-19 U S West Communications, Inc. and E-Z Phone Connections**

On July 9 the parties filed an agreement that was approved on August 19.

**NIA-98-20 GTE Midwest Incorporated, Contel of Minnesota, Inc., d/b/a GTE Minnesota, and 360° Communications Company**

On July 13 the parties filed an agreement that was approved by the Board on August 31.

**NIA-98-21 U S West Communications, Inc. and Knight Communications, Inc.**

On July 29 the parties filed an agreement that was approved by the Board on October 12.

**NIA-98-22 U S West Communications, Inc. and Crystal Communications, Inc.**

On August 3 U S West and Crystal filed an interconnection agreement which was approved by the Board on October 12.



**NIA-98-23 U S West Communications, Inc. and TCG-Omaha**

On August 7 U S West and TCG filed an interconnection agreement. The Board approved the agreement on September 30.

**NIA-98-24 City of Hawarden and Heartland Telecommunications Company of Iowa**

On August 20 Hawarden and Heartland filed a negotiated interconnection agreement which was approved by the Board on September 30.

**NIA-98-25 GTE Midwest Incorporated, Contel of Minnesota, Inc., d/b/a GTE Minnesota, and Dakota Services Limited**

On August 25 the parties filed a negotiated agreement which was approved by the Board on November 13.

**NIA-98-26 U S West Communications, Inc. and Alpine Network Services, L.C.**

On September 18 U S West and Alpine filed an agreement that was approved by the Board on December 14.

**NIA-98-27 U S West Communications, Inc. and B G Enterprises, Inc.**

U S West and B G filed an agreement on September 18. It was approved by the Board on December 17.

**NIA-98-28 GTE Midwest Incorporated, Contel of Minnesota, d/b/a GTE of Minnesota, and Farmer's and Businessmen's Telephone Company**

The parties filed an interconnection agreement on October 9. It was approved by the Board on December 1.

**NIA-98-29 GTE Midwest Incorporated, Contel of Minnesota, d/b/a GTE of Minnesota, and Coon Creek Telephone Company**

On October 9 the parties filed an agreement which was approved on December 1.

**NIA-98-30 GTE Midwest Incorporated, Contel of Minnesota, d/b/a GTE of Minnesota, and Advanced Network Communications**

On October 9 the parties filed an agreement which was approved on December 1.

**NIA-98-31 GTE Midwest Incorporated, Contel of Minnesota, d/b/a GTE of Minnesota, and Shellsburg**

The parties filed a negotiated agreement on October 9. It was approved by the Board on December 3.

**NIA-98-32 GTE Midwest Incorporated, Contel of Minnesota d/b/a GTE of Minnesota, and Independent Networks, L.L.C.**

On October 9 the parties filed an interconnection agreement which was approved on December 3.

**NIA-98-33 GTE Midwest Incorporated, Contel of Minnesota d/b/a GTE of Minnesota, and Max-Tel Communications, Inc.**

On October 13 the parties filed an agreement which was approved on December 3.

**NIA-98-34 U S West Communications, Inc. and Preferred Carrier Services, Inc.**

On October 14 U S West and Preferred Carrier filed an agreement which was approved by the Board on December 4.

**NIA-98-35 U S West Communications, Inc. and Laurens Municipal Broadband Communications Utility**

On October 16 the parties filed an agreement which was approved by the Board on December 17.

**NIA-98-36 GTE Midwest Incorporated, Contel of Minnesota, d/b/a GTE Minnesota, and Clarence Telephone Company**

On October 16 the parties filed a negotiated agreement which was approved by the Board on December 3.

**NIA-98-37 U S West Communications, Inc. and NET-tel Corporation**

On November 6 the parties filed an interconnection agreement which the Board approved on December 17.

**NIA-98-38 U S West Communications, Inc. and Advanced Communications Group, Inc.**

On November 18 the parties filed a negotiated agreement which the Board approved on December 28.

**NIA-98-39 U S West Communications, Inc. and JATO Communications Corporation**

On November 23 the parties filed an interconnection agreement. The case is pending.

**NIA-98-40 GTE Midwest Incorporated, Contel of Minnesota, d/b/a GTE Minnesota, and Nextel West Corp.**

On November 23 the parties filed an interconnection agreement. The case is pending.

## Preexisting Interconnection Agreements

On August 8, 1996, the Federal Communications Commission released an order which required any interconnection agreement negotiated before the date of the enactment of the Telecommunications Act of 1996 be submitted for state commission review. The dockets were designated as preexisting interconnection agreements (PIAs). The statutory standard to be applied by the Board in its review is in two parts: (1) whether the agreement discriminates against a telecommunications carrier not a party to the agreement or (2) whether the implementation of the agreement or a portion is not consistent with the public interest, convenience, and necessity. 47 U.S.C. § 252(e)(2)(A)

### **PIA-97-2**

#### **U S West Communications, Inc. and GTE Midwest Incorporated**

On June 30, 1997, U S West and GTE filed an agreement which was approved on September 26. On April 28, 1998, an amendment to the agreement was filed. The amended agreement was approved on June 5.

## Investigations

Utility investigations (INUs) are general proceedings to explore issues that may affect a number of utilities.

### **INU-96-1 Submission and Review of Existing Interconnection**

#### **Agreements**

On April 18, 1996, the Board initiated an investigation to receive comments and replies on the proper implementation of the requirement that interconnection agreements negotiated before the enactment of the Telecommunications Act of 1996 be submitted to and reviewed by the Board. On August 8, 1996, the Federal Communications Commission (FCC) released an order that required any interconnection agreement negotiated before the date of the enactment of the Act be submitted for state commission review. On June 30, 1997, in response to the FCC rule, U S West and GTE submitted a negotiated interconnection agreement to the Board that was docketed as PIA-97-2. On July 18, 1997, the Eighth Circuit Court of Appeals, in Iowa Utilities Bd. v. FCC, held that the FCC had overstepped its jurisdictional limits under the Act in determining which interconnection agreements had to be submitted for state commission approval. The parties in PIA-97-2, however, did not withdraw their filing and the Board approved the agreement on September 26, 1997. Also on September 26, the Board approved a similar agreement between U S West and Ameritech Illinois (PIA-97-1). Approval of these two agreements ended the vacated effects of the FCC's vacated rule concerning submission of interconnection agreements negotiated prior to the Act. On May 18, 1998, the Board issued an order terminating the investigation. The order stated any local service provider that is a party to a currently effective interconnection agreement between competitors, negotiated prior to the enactment of the Act, shall notify the Board of the existence of such an agreement within 30 days of the order.

### **INU-97-1 Investigation of Marketing Activities - Gas Utilities**

On April 11, 1997, the Board issued an order initiating an investigation into the gas marketing services being provided by rate-regulated utilities. The investigation was to consider issues associated with rate-regulated gas utilities performing "unregulated" gas brokering services for their transportation customers. The Board identified cross-subsidization and price discrimination as its principal concerns. The investigation did not reveal problems in these areas and the investigation was terminated on January 8, 1998.

### **INU-98-1 Long-term Number Portability**

On March 11, 1997, the FCC issued an opinion on number portability that required deployment of long-term database methods for local number portability to be completed for requested switches in the Omaha MSA by December 31, 1998. Pottawattamie County, Iowa, is included in the Omaha MSA. Deployment of long-term number portability elsewhere in the state will come after the December 31, 1998, deadline. To facilitate the process in Pottawattamie County, the Board initiated an investigation on February 5, 1998. Pursuant to that order, the local service providers in Pottawattamie County provided lists of their switches by type and common language location identification code. The order was mailed to all competitive local exchange service providers holding or applying for certificates to serve customers in the county. An order was issued on March 31 notifying U S West it must deploy long-term number portability for four switches in Pottawattamie County and terminating the docket.

## Notices of Inquiry

Notices of inquiry (NOIs) are informal proceedings to educate the participants on a particular issue or set of issues. An inquiry is commenced by the Board and a set of issues or questions is developed for consideration. The issues outlined in the notice are not intended to be exclusive but form the framework for the inquiry. The inquiry is not directed at an individual utility or group of utilities but at any group, business, industry, or person who may be interested in the issue. The process is not intended to produce any specific kind of action, but may result in a subsequent formal proceeding such as a rule making or contested case. No record is made and no testimony is compelled.

### **NOI-95-1 Emerging Competition in the Electric Utility Industry**

On February 24, 1995, the Board commenced this inquiry. A round table was held on April 7 with representatives of investor-owned, municipal and rural electric utilities, industrial customers, renewable energy producers, citizen groups, and others. A report summarizing these discussions was issued on October 12. The report indicated there was no consensus among participants as to whether full retail competition would benefit Iowa's electric consumers. A second round table meeting was held December 13 and 14 to discuss the findings contained in the staff report. The Board appointed an advisory group in February 1996 comprised of 27 members who represent industry, consumer, environmental, labor, and other stakeholder groups. Principles were adopted on May 14 with the caveat that federal actions or additional information may affect them.

In the fall of 1996 nine town meetings were held around the state. Presentations were made by Board staff, investor-owned, REC and municipal utilities, and the Consumer Advocate. On February 10, 1997, the Board issued an order accepting a staff report which concluded, "A review of the comments from the Advisory Group members demonstrates there is no consensus at this time as to whether full retail competition would benefit Iowa's electric consumers".

An informal agreement was reached on October 9, 1997, with the Iowa Center for Global and Regional Environmental Research to assist the Board in assessing the change in emission levels resulting from restructuring. In 1998 the Iowa Energy Center hired the University of Iowa Social Science Institute to conduct a state survey on energy issues including customer knowledge and viewpoints of restructuring, sources of customer energy information, and education needs of the customer in a competitive retail electric market.

On September 10, 1997, the Board issued an order adopting an action plan. Internal staff teams were formed to recommend action in the following areas: customer assessment and information, pilot project/market structure, reliability, transition costs/benefits, and public benefits. Staff prepared in-depth reports on these topics and, in 1998, forwarded the draft reports to the Advisory Group for comment. Changes were made to



most of the reports following receipt of comments. During the fall of 1998, staff's draft reports were submitted to the Board.

MidAmerican Energy Company expressed an interest in an electric residential and small commercial pilot project. On February 10, 1998, the Board adopted guidelines for an Iowa-specific pilot for MidAmerican. On August 21, 1998, the Board approved a MidAmerican retail access pilot project for approximately three percent of its Iowa commercial and residential customers. Subsequently, MidAmerican announced Council Bluffs was selected as the site for the pilot.

On August 18, 1997, the Board issued an order promulgating draft independent system operator principles. On July 27, 1998, the Board issued a statement of independent system operator (ISO) principles intended as a guide for Iowa's utilities as they pursue any ISO discussions. The statement did not mandate participation in an ISO.

The investigation of electric restructuring in Iowa continued through the rest of 1998. The docket is still open.

### **NOI-98-1 Access to Operational Support Systems**

On July 23 the Board initiated an inquiry to investigate issues related to nondiscriminatory access by competitive local exchange carriers to the operational support systems of U S West Communications and GTE Midwest Incorporated. A workshop was held on September 24. The inquiry is continuing.

### **NOI-98-2 Year 2000 Readiness Among Iowa Utility Companies**

On September 29 the Board initiated an inquiry to assess the impact of Year 2000 on public safety and quality of service and to make utilities in Iowa aware of the potential problem. An initial meeting was held on October 27. In November the Board formed the Y2K Taskforce to expand outreach efforts to all utility providers in Iowa. The inquiry is still open.

### **NOI-98-3 Small Volume Gas Transportation**

On October 27, 1997, the Board adopted rules offering utilities the option of filing tariffs or specific plans for reducing existing barriers to the competitive market for small volume customers. During 1998 all of the utilities filed plans. IES Utilities and Interstate Power Company filed a request to establish workshops with the goal of developing common end-states for some issues resulting from removing barriers for small volume customers in the competitive market. On December 28 the Board initiated an inquiry to serve as the framework for the workshops. The docket is pending.

## Pipeline Applications

### Hazardous Liquid Pipelines

IOWA CODE ch. 479B, which was enacted by the 1995 legislature, grants the Board authority over hazardous liquid pipelines and storage facilities in the state. A hazardous liquid is defined as crude oil, refined petroleum products, liquefied petroleum gases, anhydrous ammonia, liquid fertilizers, liquefied carbon dioxide, alcohols, and coal slurries.

#### **HLP-97-002 Quantum Pipeline Company**

On October 17, 1997, Quantum filed a petition for a permit to construct, operate, and maintain a hazardous liquid pipeline in Clinton County. The pipeline would transport ethylene. The permit was granted on May 19, 1998, and is effective until May 19, 2023.

#### **HLP-97-0003 Dome Pipeline Corporation**

Dome filed for a permit on November 7, 1997, to transport natural gas liquids in Mitchell, Howard, Chickasaw, Bremer, Fayette, Buchanan, Delaware, Jones, and Clinton Counties. The permit was granted on February 3, 1998, to be effective until February 3, 2023.

#### **HLP-97-0004 Dome Pipeline Corporation**

On November 7, 1997, Dome requested a permit to operate and maintain a pipeline to transport natural gas liquids through Jones, Cedar, and Johnson Counties. On February 3, 1998, the permit was granted to be effective until February 3, 2023.

#### **HLP-97-0005 Dome Pipeline Corporation**

Dome filed a petition for a permit on November 7, 1997, to operate and maintain a hazardous liquid pipeline to transport natural gas liquids in Clinton County. The Board granted the permit, which is effective until January 21, 2023, on January 21, 1998.

#### **HLP-98-0001 Kaneb Pipe Line Operating Partnership, L.P.**

On February 6 Kaneb filed for a permit to operate and maintain a pipeline to transport refined petroleum products in Plymouth, Sioux, and Lyon Counties. On April 17 the Board granted the permit which will be effective until April 17, 2023.

#### **HLP-98-0002 Kaneb Pipe Line Operating Partnership, L.P.**

Kaneb filed for a pipeline permit for the transportation of refined petroleum products in Plymouth, Sioux, O'Brien, Clay, and Dickinson Counties on February 6. The permit was granted on April 17 and will be effective until April 17, 2023.



**HLP-98-0003 Koch Pipeline Company**

On February 19 Koch applied for a permit to operate and maintain a hazardous liquid pipeline in Decatur, Clarke, Warren, Polk, Story, Hamilton, Hardin, Franklin, Cerro Gordo, and Worth Counties. The pipeline will transport crude oil. Koch was granted the permit on April 13 and it will be effective until April 13, 2023.

**HLP-98-0004 National Cooperative Refinery Association**

On April 1 National requested a permit to transport petroleum products in Mills and Pottawattamie Counties. The Board approved the permit on April 20 to be effective until April 20, 2023.

**HLP-98-0005 Kinder Morgan Operating L.P.**

On June 8 and June 22 Kinder Morgan requested permits to operate and maintain three underground storage facilities in Polk County. The caverns would store liquefied petroleum gases, butane, and propane. The permit was granted on August 10 and will be in effect until August 10, 2023.

**HLP-98-0006 Heartland Pipeline Company**

On September 24 Heartland requested a permit to construct, operate, and maintain a pipeline in Mills and Pottawattamie Counties. The pipeline was for the transportation of refined products. One objection to Heartland's petition was received. The proceeding was assigned to an administrative law judge on October 8. The case is pending.

**HLP-98-0007 Kinder Morgan Operating L.P. "A"**

On August 5 Kinder Morgan requested a permit for the transportation of liquid hydrocarbons in Mills, Montgomery, Pottawattamie, Cass, Adair, Madison, Warren, and Polk Counties. The permit was granted on December 18 and will be effective until December 18, 2023.

**HLP-98-0008 Kinder Morgan Operating L.P. "A"**

On August 5 Kinder Morgan filed for a permit to operate and maintain a pipeline to transport liquid hydrocarbons in Johnson County. The permit was granted on November 30 to be effective until November 30, 2023.

**HLP-98-0009 Kinder Morgan Operating L.P. "A"**

On August 5 Kinder Morgan requested a permit to operate and maintain a pipeline for the transportation of liquid hydrocarbons in Scott and Johnson Counties. The permit was granted on December 14 and will be effective until December 14, 2023.

**HLP-98-0010 Kinder Morgan Operating L.P. "A"**

On August 5 Kinder Morgan petitioned for a permit to operate and maintain a pipeline for the transportation of liquid hydrocarbons in Fremont, Mills, Montgomery, Pottawattamie, Cass, Adair, Madison, Warren, Polk, Jasper, Poweshiek, Iowa, Johnson, Cedar, and Scott Counties. The docket is pending.

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## Natural Gas Pipelines

Docket	Company	Filed	Granted	Permit
P-13	MidAmerican	11/20/96	04/09/98	Amend existing permit to increase the maximum operating pressure in Warren County (Indianola Lateral)
P-45	IES Utilities	01/26/98	05/12/98	Amend existing permit for additional pipeline in Mahaska and Marion Counties (Pella Lateral)
P-732	MidAmerican	11/18/96	09/08/98	Renew existing permit for pipeline in Scott County (Riverside Lateral)
P-839	Ag Processing Inc.	05/14/98	10/09/98	Issue new permit to allow construction of pipeline in O'Brien County (Sheldon Lateral)

## **Rate Proceedings**

Rate setting is a key function of the Iowa Utilities Board. By law the Board must assure that customers receive adequate service at a reasonable price.

The Board must also allow sufficient income for the utilities to maintain reliable service and assure sufficient earnings for its stockholders. The jurisdiction of rate setting extends only to certain larger utilities within Iowa. Municipal utilities and rural electric cooperatives (except those which choose rate regulation) are subject to Board review of their service only.

Rate proceedings are designed to uphold the previously mentioned obligations when the Board investigates a company's rate increase proposal. Such proceedings usually last about ten months. During this time local consumer comment hearings permit customer feedback. Technical hearings, similar to courtroom hearings, also take place. Testimony is presented and expert witnesses are cross-examined by the company, the Consumer Advocate Division of the Department of Justice, and intervenors.

At the conclusion the Board may approve the company's request in full, approve some of it, or disallow any increase at all.

# Electric

## **RPU-96-8 MidAmerican Energy Company**

On August 1, 1996, the Consumer Advocate asked the Board to reduce MidAmerican's electric revenue by \$101,466,794 or 10.7%. On June 4, 1996, MidAmerican filed an application for a market-based pricing proposal (APP-96-1). Because of the similarities of the dockets, the Board consolidated them on September 6. On October 24 the Board approved MidAmerican tariffs (TF-96-274) which reduced MidAmerican's electric rates by approximately \$8.5 million. The Board noted, however, since its rates were under investigation, MidAmerican undertook the reduction at its own risk. On December 6 the Consumer Advocate revised its request for reduction to \$86,284,986 or 9.4%. A final settlement was filed on March 10, 1997, and resolved all outstanding issues except for the Public Programs Charge proposed by MidAmerican. The settlement provided that the \$8.5 million reduction previously implemented be applied retroactively to August 1, 1996. In addition, the settlement reduced MidAmerican's electric base rates by an additional \$25 million. Residential rates were reduced by approximately \$10 million. The reduction would be utilized to reduce the rate gap in MidAmerican's three pricing zones. Residential rates would be reduced by an additional \$5 million on June 1, 1998. Commercial and small general service customers would have \$4 million available for customer savings/price reductions in pilot projects. Industrial and large general service customers would have \$6 million available. If any amounts remained available on June 1, 1998, there would be a base rate reduction for those classes. The settled rates incorporated decommissioning costs for two nuclear plants, Quad Cities Station Units 1 and 2. The settlement is effective until December 31, 2000, after which any signatory may file with the Board a petition to increase or decrease MidAmerican's electric rates. The settlement was approved on June 27, 1997. On May 1, 1998, MidAmerican filed a tariff which would reduce residential electric rates in the East and South pricing zones by approximately \$5,000,000. The reduction would reduce the rate differential between its three pricing zones. The Board approved the tariff on May 29, 1998.

# Gas

## **RPU-97-6 MidAmerican Energy Company**

On August 7, 1997, MidAmerican filed a tariff to implement a new service called "Fixed Price Sales Service" which would offer customers on an optional basis a fixed price sales service as an alternative to standard firm and interruptible services. On December 10 the Board approved the service as a two-year pilot project with MidAmerican reporting to the Board at the one and two year mark. MidAmerican applied to the Board on December 30 for rehearing and clarification of customer notification requirements. On January 29, 1998, the Board granted rehearing and revised its December 10 order to clarify several decisions.



### **RPU-97-8 MidAmerican Energy Company**

On October 2, 1997, MidAmerican filed revisions to its current gas sales and transportation tariffs. The purpose of the proposal was to make the procedures and provisions more consistent between the east and west systems; to offer transport customers an on-line electronic bulletin board; and to add an operational provision called the Operational Flow Order. On October 29 Enron filed an objection because some of the provisions appeared to be barriers to competition. Also on October 29 Ag Processing objected stating the filing should be docketed to allow customers time to review the tariffs. On October 30 MidAmerican requested authority to place uncontested rates into effect. On October 31 the Board approved the provisions which were identified as uncontested. Certain portions of the tariff were docketed to allow an opportunity for further investigation. On November 5 MidAmerican requested clarification relating to the availability of daily balancing on critical days. On November 6 the Board allowed these provisions to go into effect pending investigation. On April 7, 1998, the Board approved MidAmerican's tariff (TF-97-254). On April 27 MidAmerican filed an application for rehearing or, in the alternative, a motion to withdraw the tariff. The Board granted the rehearing on May 27. On June 16 MidAmerican filed a request for clarification of the rehearing order. The request was granted on July 14. On July 23 MidAmerican filed a revised tariff (TF-98-184) which was approved and the docket terminated on August 20.

### **RPU-98-5 MidAmerican Energy Company**

On October 27 MidAmerican filed a request for a general rate increase in temporary and final gas rates. The temporary increase would produce additional revenue of approximately \$16,270,053 and a permanent increase of \$18,494,128. The tariffs were docketed on November 25. The case is pending.

RPU

## Telephone

### **RPU-96-2 U S West Communications, Inc.**

On March 5, 1996, U S West filed a tariff for Single Line Integrated Services Digital Network (ISDN) Service in compliance with the settlement agreement in Docket No. RPU-94-6. The tariff proposed to make Single Line ISDN service available at three standard tariffed monthly rates for customers provisioned from equipped central offices and who are either located not more than 18,000 feet from their central office or are served by an ISDN compatible digital loop carrier. Customers may receive the service on a measured basis at 3 cents per minute, on an unlimited basis at a flat rate, or under a plan allowing 200 hours of usage per month with charges made for additional usage on a measured basis. On March 25, 1996, objections were filed challenging the level of rates and suggesting violations of the Telecommunications Act of 1996 and H.F. 518. The tariffs were docketed on April 3 and U S West was permitted to begin providing Single Line ISDN subject to refund. On June 14, 1996, an interim tariff was filed to provide Single Line ISDN Service on a flat-rate basis, on a measured basis without usage allowance, and on a measured basis with a 200-hour usage allowance. On July 12, 1996, the Board approved the interim tariff. In 1997 the docket was suspended pending costing decisions in Docket No. RPU-96-9.

RPU

### **RPU-96-7 GTE Midwest Incorporated**

On July 5, 1996, GTE filed an unbundled local network access tariff. On October 4 the Board suspended the procedural schedule because agency resources were engaged in resolving many of the same issues concerning rates for unbundled essential facilities in an arbitration proceeding identified as Docket No. ARB-96-3. On April 18, 1997, the Board reestablished a procedural schedule and expanded the proceeding to receive evidence concerning all rates for interconnection, unbundled network elements, and the wholesale rate. On October 24 GTE filed a motion to compel discovery regarding 107 data requests served separately on AT&T and MCI metro Access. On November 6 MCI withdrew from this case. On January 9, 1998, the Board denied the motion to compel and ordered AT&T and GTE to engage in good faith attempts to resolve their differences and file a proposed procedural schedule. On March 20, 1998, AT&T filed a proposal for continuance of the procedural schedule because of the remand of GTE Midwest Incorporated v. IUB from the federal district court through August 31, 1998. The Board granted the request on April 20.

### **RPU-96-9 U S West Communications, Inc.**

On July 5, 1996, U S West filed an unbundled essential facilities tariff to comply with the Board's local exchange competition rules. The Board suspended the tariff and docketed the case on August 5. On August 8, 1996, the FCC issued rules to implement the Telecommunications Act of 1996. Also during this time, the Board received requests to arbitrate the interconnection agreement issues between U S West, AT&T, and MCI metro under § 252 of the Act. On November 27, 1996, the Board issued a final arbitration decision in Docket Nos. ARB-96-1 and ARB-96-2. In part, the order stated all interconnection rates would be subject to change upon the order issued in Docket No. RPU-96-9. On February 11, 1997, the Board issued an order expanding the scope of RPU-96-9 to include the interconnection rates established in the arbitration dockets. Hearings in RPU-96-9 were held between May 28 and June 10, 1997, and between September 15 and September 24, 1997. On April 23, 1998, the Board issued the decision order in this docket approving incremental costs as a pricing principle for unbundled network elements. Also, avoided costs would be determined on the basis of U S West's intrastate embedded costs, allocating the cost of the local loop to intrastate, local, toll, and access services. Five multiple wholesale rates were established for groups of like services and a composite wholesale rate was established for retail services not otherwise specifically addressed. On May 13 the Office of Consumer Advocate, U S West, and MCI metro applied for rehearing claiming error with respect to issues involving unbundled network elements (UNEs) and wholesale rate discounts. On May 27 AT&T filed a motion for reconsideration. On June 12 the Board granted rehearing and modified the Final Decision and Order issued on April 23. On July 2 U S West filed a compliance tariff (TF-98-167) which was rejected in part on October 7. Revised tariffs (TF-98-268) were approved on December 8.

### **RPU-98-1 U S West Communications, Inc.**

On December 12, 1997, U S West filed a tariff (TF-97-398) to implement an offering to U S West residential customers who had switched local carriers. The tariff, identified as the "Win Back Program", provided waivers to customers returning to U S West of certain charges up to \$100. The tariff was docketed on January 9, 1998. It was rejected on July 8 because it did not comply with the resale obligations imposed on incumbent local exchange carriers by the Telecommunications Act of 1996. On July 23 U S West filed an appeal and on August 6 McLeod filed a response in opposition to the notice of



appeal. On August 12 the Board issued a briefing order to allow a single round of briefs to be filed on the single issue of special promotional rates of more than 90 days subject to wholesale discount. The case is pending.

**RPU-98-2 Central Scott Telephone Company**

On December 27, 1997, Central Scott filed a tariff (TF-97-410) to discontinue offering mobile access line service and Centrex service to existing customers. Central Scott's filing did not comply with the discontinuance of service requirements. On January 20, 1998, the Board suspended and docketed the tariff. It also required notice to be filed. On April 7 the Board granted discontinuance of service.

**RPU-98-4 U S West Communications**

On July 1 U S West filed a price regulation plan. On August 14 the Consumer Advocate and U S West filed a settlement agreement. The Board approved the settlement and modified price plan on September 28.

## Water

**RPU-98-3 Iowa-American Water Company**

On April 8 Iowa-American filed a request for a general rate increase in temporary and final water rates. The temporary increase would produce additional annual revenue of approximately \$1.824 million and a permanent increase of approximately \$3.086 million. The Board docketed the tariffs on May 8. On July 7 the Board allowed a temporary increase of \$975,000 to go into effect. Iowa-American and the Consumer Advocate filed a unanimous settlement agreement on August 14. The Board approved the settlement on August 31. It provided for permanent annual revenue increases for the Clinton district of \$237,944 and the Quad Cities district of \$1,598,385, or a total increase of \$1,836,329.

RPU

## Refunds

A refund proceeding (RFU) is initiated by the Board when a refund involving a utility requires special analysis.

### **RFU-95-18 Global Tel\*Link Corporation**

On December 28, 1995, Global filed a proposed refund plan to refund certain overcollections from Iowa customers. When Global was purchased in 1993, it was determined the utility had engaged in improper billing practices resulting in overcollections in a number of states. An auditor was hired to determine the extent of Global's overcharging liability. The overcharges plus interest amounted to \$16,455 in Iowa. Global's proposed refund plan in Iowa was based upon a settlement agreement approved in a civil court action in Alabama. The refund plan was approved on February 19, 1996. As a result of civil action in the Circuit Court of Mobile County, State of Alabama, identified Iowa customers received \$11,977.60. On August 17, 1998, the Board received a refund summary and a check for \$6,014.35 remitted by the Alabama Attorney General, which represents refunds due to unidentified Iowa consumers. On September 10, 1998, the Board approved the refund summary and payment and terminated the docket.

### **RFU-97-1 MidAmerican Energy Company**

On January 8, 1997, MidAmerican filed a proposed plan relating to two separate refunds. One refund concerned the proceeds from the sale of its investment in the Phillips Gas Lease Net Profits Agreements (Phillips Leases), and the other regarded the proceeds of the sale of cushion gas provided by MidAmerican to Natural Gas Pipeline Company of America. On March 7, 1997, the Board approved the refund relating to the Phillips Lease. \$278,433 will be refunded through the upcoming purchased gas adjustment filing. At the same time the refund relating to cushion gas sale proceeds was docketed. MidAmerican proposed to treat this as real property, with any gain accruing to shareholders. On May 15, 1997, the Board ordered MidAmerican to share equally between shareholders and customers the gain from the sale because the cushion gas was less than market price and it would have been advantageous to its customers if MidAmerican had used it. On June 16 MidAmerican filed its proposed refund plan on the sale of cushion gas. On July 17, 1997, the Board approved the plan, which would refund \$2,067,982 to customers through the August PGA billing factor. MidAmerican filed a refund report on April 23, 1998, and an amended refund report on May 6, 1998. The report stated \$2,063,888 was flowed through the PGA to customers in August 1997, with an under-refund of approximately \$4,000 which will be rolled in as an adjustment to MidAmerican's next annual PGA reconciliation. The Board approved the report, subject to audit, on May 21, 1998.

### **RFU-97-6 (APP-96-1) (RPU-96-8) MidAmerican Energy Company**

On September 18, 1997, MidAmerican asked permission to refund approximately \$12 million, plus interest, resulting from recoveries received from Nebraska Public Power District from litigation for outages during 1993 through 1995 at Cooper Nuclear Station. MidAmerican also sought to refund the final reconciliation associated with MidAmerican's energy adjustment clause, which was not less than \$4 million. On

September 24, 1997, the Board approved the plan. MidAmerican filed a refund report on July 6, 1998. The report stated the total amount of the Cooper refund was \$13,797,348 and the total amount of the EAC reconciliation refund was \$4,504,766. After refunding these amounts, the net amount remaining due to customers from the two refunds was \$222,669. This amount was refunded through the Cooper Nuclear Additions Tracker. The Board approved the refund report on August 17.

#### **RFU-98-4 (RPU-90-4) GTE Midwest Incorporated**

On February 12 GTE filed a refund plan to return overpayments to customers who were inadvertently not associated with permanent rates in Docket No. RPU-90-4 which became effective April 1991. These customers continued to pay temporary rates between April 1991 and April 1998. On March 31 the Board approved the refund which was approximately \$78,500. On August 30 GTE filed a refund completion report that showed \$97,199 in billing credits had been issued to 111 active customers and refund checks had been issued to eight inactive customers. The Board accepted the refund plan and closed the docket on October 30.

#### **RFU-98-7 (WRU-98-10-151) IES Utilities Inc.**

On April 21 IES filed a refund plan for a second refund received from Northern Natural Gas Company relating to overcharges of Kansas ad valorem taxes. Because this refund is an issue in a FERC proceeding, IES proposed to deposit the refund in a special account accruing interest at the 90-day commercial paper rate. The Board approved the plan on May 21.

#### **RFU-98-10 Peoples Natural Gas Company**

On May 15 Peoples filed a refund plan for a second refund received from Northern Natural Gas Company relating to overcharges of Kansas ad valorem taxes. Because this refund is an issue in a FERC proceeding, Peoples proposed to deposit the refund in a special account accruing interest at the 90-day commercial paper rate. The Board approved the plan on June 19.

#### **RFU-98-11 MidAmerican Energy Company**

On May 18 MidAmerican filed a refund plan for a second refund received from Northern Natural Gas Company related to overcharges of Kansas ad valorem taxes. Because this refund is an issue in a FERC proceeding, MidAmerican proposed to deposit the refund in a special account accruing interest at the 90-day commercial paper rate. The Board approved the plan on June 25.

#### **RFU-98-18 Interstate Power Company**

On August 10 Interstate filed a refund plan relating to a refund it received from Northern Natural Gas Company representing Interstate's share of the additional Carlton Commodity Surcharge refund. The total amount of the refund for Iowa customers is \$5,900.14. Interstate proposed to include the refund in its 1998 reconciliation filing. The Board approved the refund plan on September 29.

#### **RFU-98-19 Interstate Power Company**

On August 21 Interstate filed a refund plan for a third refund received from Northern Natural Gas Company relating to overcharges of Kansas ad valorem taxes. Because this refund is an issue in a FERC proceeding, Interstate proposed to deposit the refund



in a special account accruing interest at the 90-day commercial paper rate. The Board approved the plan on September 22.

**RFU-98-20 Peoples Natural Gas Company**

On September 1 Peoples filed a refund plan for a third refund received from Northern Natural Gas Company relating to overcharges of Kansas ad valorem taxes. Because this refund is an issue in a FERC proceeding, Peoples proposed to deposit the refund in a special account accruing interest at the 90-day commercial paper rate. The Board approved the plan on September 29.

**RFU-98-21 IES Utilities Inc.**

On September 15 IES filed a refund plan for a refund received from ANR Pipeline Company resulting from the settlement of FERC Docket No. RP89-161-030,034. The cases have to do with gas inventory charge refunds. IES proposed to include the refund plus interest in the next purchased gas adjustment reconciliation. Interest will be accrued at the 90-day commercial paper rate. IES also filed a plan for the third refund received from Northern Natural Gas Company relating to overcharges of Kansas ad valorem taxes. Because this refund is an issue in a FERC proceeding, IES proposed to deposit the refund in a special account accruing interest at the 90-day commercial paper rate. The Board approved both plans on October 29.

**RFU-98-22 MidAmerican Energy Company**

On October 7 MidAmerican filed a plan for refunds relating to the third refund it received from Northern Natural Gas Company relating to overcharges of Kansas ad valorem taxes. Because this refund is an issue in a FERC proceeding, MidAmerican proposed to deposit the refund in a special account accruing interest at the 90-day commercial paper rate. The Board approved the plan on November 19.



## Rule Makings

The Iowa Utilities Board publishes administrative rules that identify the guidelines under which utilities must operate and the procedures by which citizens and utilities may amend those guidelines. To change the rules, certain procedures for public notice and comment are specified by law. These proposed changes are called rule makings (RMUs).

### **RMU-95-3 Quality of Service-Telephone**

On June 5, 1995, the Board proposed modifications to the definitions of the terms “held order for regrade” and “held order for service”, and to the telephone general service rules for local exchange utilities dealing with held applications, service connections, and service interruptions. The Board renoticed the rules on September 6, 1996, which distinguished between facilities-based local exchange carriers and competitive local exchange service providers in establishing service connection, interruption, and repair standards. On April 11, 1997, the Board issued an order renoticing the rules to ensure end-user retail customers will be able to obtain and maintain access to the public switched network. The rules were adopted on January 13, 1998, and became effective on March 18.

### **RMU-97-4 Hazardous Liquid Pipeline**

The proposed rules, commenced on August 18, 1997, set forth procedures for filing and processing petitions for interstate hazardous liquid pipeline permits. Permits are required for any pipeline company proposing to construct a new pipeline or store hazardous liquid underground. The rules were adopted on March 12, 1998, and became effective on May 13.

### **RMU-97-6 Rb Factor**

Rules were proposed on June 3, 1997, to address the problems associated with the application of the Rb factor to large volume high seasonal use customers. Utilities would be required to form a class composed of large volume seasonal use customers and exclude these customers' volumes from the calculation of the Rb factor. A proposal by two of the parties, which changed the definition of the Rb factor and provided a solution to the problem, was adopted by the Board on January 20, 1998. The rules became effective on March 18, 1998.

### **RMU-97-10 Universal Service-Eligible Carriers**

Identical to the rules in RMU-97-9, this companion proceeding was issued on September 5, 1997, to receive public comment on the proposed new chapter. Under the new rules the Board would determine that the carrier meets the following requirements to be designated an eligible carrier: (1) Offer the services supported by the federal universal service fund, (2) Offer the services using its own facilities or a combination of its own facilities and resale, (3) Advertise the availability of the supported services, and (4) Offer the services throughout its designated service area. The order adopting the rules was issued on January 8, 1998, although the rules became effective on September 5, 1997.



### **RMU-97-11 Electric Franchise Notice**

On September 26, 1997, the Board proposed a rule making to make the Board's rules consistent with amendments to IOWA CODE §§ 478.1 and 478.13 enacted during the 1997 Session of the General Assembly. The amendment provides an option for the published notice of electric distribution line construction to include the telephone number and address through which parties can request a map from the utility at no charge. The rules were adopted on March 12 and became effective on May 13.

### **RMU-97-12 Net Billing**

On November 26, 1997, a rule making was begun to discontinue, on a prospective basis, electric net billing arrangements. Net billing has been used in limited cases by persons operating an alternate energy production facility or small hydro facility. A decision by the Federal Energy Regulatory Commission on January 19, 1997, called net billing arrangements into question. The Board, on March 17, 1998, after reviewing the numerous written comments, terminated the rule making. The issue of net billing will be addressed in the broader discussion of changes in the electric industry and potential restructuring.

### **RMU-98-1** Became RMU-99-3.

### **RMU-98-2 Energy Efficiency Plans and Standards**

On April 13 a rule making was initiated to implement the legislative directive that the Board develop specific capacity and energy savings for each utility. The Board proposed the review of assessments and development of capacity and energy savings standards be conducted approximately every four years in a contested case proceeding in conjunction with the Board's review of the utilities' energy efficiency plans. The rules were adopted on December 15 with an effective date of February 17, 1999.



## Rural Exemption Terminations

The Telecommunications Act of 1996 provides rural telephone companies with protection from some of the burdens associated with competitive entry. Specifically, § 251(c) of the Act imposes on incumbent companies, in addition to the duties contained in § 251(b) of the Act, the obligation (1) to negotiate in good faith, (2) to provide for interconnection with any requesting carrier at any technically feasible point, of quality equal to that the carrier provides to itself, and at rates and terms which are reasonable and nondiscriminatory, (3) to provide access to unbundled network elements, (4) to provide for resale at wholesale rates, (5) to provide public notice of changes, and (6) to provide for collection.

In § 251(f)(1)(B) the Act provides that a carrier's rural exempt status shall be terminated by the state commission if, after receiving notice of a bona fide request for interconnection, services, or network elements, the commission finds the request is not unduly economically burdensome, is technically feasible, and is consistent with the Act.

A company's status as a rural telephone company is determined through a rural exemption termination proceeding (RET).

### **RET-98-1 (FCU-97-8) (ARB-98-1) Heartland Telecommunications Company of Iowa**

During the course of FCU-97-8, a complaint proceeding involving the City of Hawarden's request for interconnection with Heartland, Heartland asserted that it was a rural telephone company under § 153(37) of the Telecommunications Act of 1996 and, therefore, exempt from the requirements of § 251(c) of the Act. Prior to deciding Heartland's rural exemption status, however, the Board first had to determine if a letter from Hawarden to Heartland was a bona fide request for interconnection. On February 25 the Board began an inquiry identified as RET-98-1 to determine the issues of the bona fide request and the rural exemption status. On March 12 the Board determined Hawarden's letter was a bona fide request and set a procedural schedule to consider the rural exemption. On April 10 the Board terminated Heartland's rural exemption finding that Hawarden's request for interconnection was not unduly economically burdensome, was technically feasible, and was consistent with the Act.

### **RET-98-2 Winnebago Cooperative Telephone Association**

On May 20 GTE Midwest Incorporated filed with the Board a copy of its letter to Winnebago requesting interconnection. GTE requested the Board open a docket to determine whether Winnebago's rural exemption should be terminated. On June 26 the Board found GTE's letter constituted a bona fide request for interconnection and set a procedural schedule to determine Winnebago's rural exemption status. Winnebago filed a motion for reconsideration on July 21. On August 12 the Board denied the motion. On September 14 the Board terminated Winnebago's rural exemption.

## Service Proceedings

A change to the boundaries established for electric utilities is completed through a service proceeding (SPU), as are other matters of utility service which require Board approval.

### **SPU-95-28 Federated Rural Electric Association and Iowa Lakes Electric Cooperative**

This boundary dispute over a portion of Emmet County was filed by Federated on September 14, 1995. A hearing was held on September 18, 1996. On February 19, 1998, an order was issued by the administrative law judge granting Federated's request for enforcement of its exclusive service area. The contested area, the Oakshores Second Addition, was declared to be within their service area. Also Iowa Lakes was denied compensation for costs incurred to serve the Wendler Hog Facility. On March 10 Iowa Lakes filed an appeal of the Proposed Decision and Order and on March 17 Federated filed a Motion to Dismiss. On April 7 the Board denied the Motion to Dismiss. On September 29 the Board affirmed the decision of the administrative law judge.

### **SPU-95-41 Iowa Lakes Electric Cooperative v. Milford Municipal Utilities**

On December 22, 1995, Iowa Lakes filed a complaint claiming Milford failed to recognize its right to provide electric service to a prospective customer within its exclusive territory. The complaint was docketed December 29. On January 11, 1996, Milford asserted the customer was at a location at which it had provided service for approximately 46 years with Iowa Lakes' knowledge and consent and requested dismissal of the complaint. The Board subsequently denied the request for dismissal of the complaint on February 13, 1996. On April 1, 1998, a proposed decision and order was issued granting the petition of Iowa Lakes for enforcement of its exclusive service area.

### **SPU-97-7 Hancock County Rural Electric Cooperative v. Forest City Municipal Utility**

On September 16, 1997, Hancock County filed a request for clarification and modification of the electric service territories in a portion of Winnebago County which has been in dispute since the boundaries were set in 1978. Forest City, in an objection filed on October 6, claimed the service territory map clearly showed this area to be part of Forest City's service territory. On August 6 the administrative law judge issued a proposed decision and order finding that Forest City possessed the exclusive right to provide electric utility service in the disputed area.

### **SPU-97-8 Hinton Municipal Electric System — City of Hinton and Plymouth Electric Cooperative Association**

On October 24 Plymouth and Hinton filed a joint application for modification of electric service territory boundaries. In reviewing the application, the Board determined the legal descriptions were unclear. The Board did not receive requested revised legal descriptions. On February 11, 1998, an order was issued rejecting the application without prejudice.





**SPU-98-1 North West Rural Electric Cooperative, Plymouth Electric Cooperative Association, and Ida County Rural Electric Cooperative**

On February 13 the parties filed with the Board an application for discontinuance of electric service and the transfer of electric service to a “new” North West which became the successor in interest to the consolidated “old” North West, Plymouth, and Ida as of January 1, 1998. On April 7 the Board approved the application for authorization to discontinue and transfer service to the “new” North West Rural Electric Cooperative. It also approved the request for a modification of service area boundaries.

**SPU-98-2 Hinton Municipal Electric System – City of Hinton and North West Rural Electric Cooperative**

On March 13 Hinton and North West filed a joint petition for modification of service area boundaries. The Board granted the petition on April 7.

**SPU-98-3 Interstate Power Company and Hawkeye Tri-County Electric Cooperative**

On April 9 Interstate and Hawkeye filed a joint petition to modify their service area boundaries. On June 5 the Board granted the petition.

**SPU-98-4 Interstate Power Company and Allamakee-Clayton Electric Cooperative**

On April 9 Interstate and Allamakee-Clayton filed a joint petition for modification of their service area boundaries. The Board granted the petition on June 9.

**SPU-98-5 MidAmerican Energy Company and Iowa Lakes Electric Cooperative**

On April 23 MidAmerican and Iowa Lakes filed a joint petition for modification of their service territories. On July 22 the Board granted the joint petition.

**SPU-98-6 MidAmerican Energy Company and North West Rural Electric Cooperative**

On April 30 MidAmerican and North West filed a joint petition for modification of their service territories. The Board granted the petition on July 22.

**SPU-98-7 MidAmerican Energy Company and Wright County Rural Electric Cooperative**

On July 1 MidAmerican and Wright County filed a joint petition for modification of their service area boundaries. On September 23 the Board granted the petition.

**SPU-98-8 CalEnergy Company Inc., MidAmerican Energy Holdings Company, and MidAmerican Energy Company**

On September 21 the applicants filed a proposal for reorganization in which CalEnergy would reincorporate in Iowa and be renamed MidAmerican Energy Holdings Company. The existing MidAmerican Holdings would be renamed and become an indirect wholly-owned subsidiary of the renamed MidAmerican Energy Holdings company. MidAmerican Energy, the public utility, would become a wholly-owned subsidiary of the renamed MidAmerican Energy Holdings Company. A hearing was held on December 8 and 9. On December 11 the Board issued an order setting the briefing schedule and

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extending the deadline for acting on the application, for good cause, through February 5, 1999. The case is pending.

**SPU-98-9 Bell Atlantic Corporation and GTE Corporation**

On October 2 GTE and Bell Atlantic filed a joint proposal and application for reorganization. The reorganization would be a merger of two parent corporations with the exchange of voting common stock which would result in GTE becoming a wholly owned subsidiary of Bell Atlantic. On November 20 an order was issued requesting information, setting a hearing date, and extending the decision deadline until March 31, 1999. The docket is pending.

**SPU-98-10 (DRU-99-4) AT&T Communications of the Midwest, Inc., and Sprint Communications Company, LP**

On October 15 the Board issued an order initiating a proceeding to determine whether U S West should be required to provide intraLATA toll dialing parity on and after February 9, 1999, pursuant to the Telecommunications Act of 1996. Comments were filed in the docket, however, the parties did not request a hearing. On November 30 an order was issued requiring U S West to provide intraLATA toll dialing parity in Iowa on and after February 9, 1999. U S West was also directed to file an implementation plan on or before December 10. On December 2 U S West filed an emergency motion requesting the Board to reconsider its order on an expedited basis. The Board denied the emergency motion on December 4. U S West filed its plan to implement dialing parity on December 10. The docket is pending.

**SPU-98-11 Montezuma Mutual Telephone Company and Deep River Mutual Telephone Company**

On November 6 the parties filed a joint application to permit Deep River to discontinue providing local exchange service and to transfer Deep River's certificate to Montezuma. Deep River is a wholly owned subsidiary of Montezuma. The Board granted the application on December 14.

**SPU-98-12 MidAmerican Energy Company**

On November 12 MidAmerican filed a petition for a Board order recommending delin-eation of local distribution facilities subject to the Board's state jurisdiction and transmis-sion facilities subject to the jurisdiction of the Federal Energy Regulatory Commission. On December 4 the Consumer Advocate filed a motion to dismiss MidAmerican's peti-tion without prejudice. The docket is pending.

**SPU-98-13 Midland Power Cooperative and Story City Municipal Electric Utility**

On December 30 Midland and Story City filed a joint petition for modification of service area boundaries. The docket is pending.

## Small Volume Gas Plans

The Board adopted rules on October 23, 1998, offering gas utilities the option of filing tariffs or specific plans for reducing existing barriers to the competitive market for small volume gas customers. All of the utilities opted to file plans. These plans have been identified as SVGs.

### **SVG-98-1 MidAmerican Energy Company**

On October 30 MidAmerican filed its small volume transportation plan. In its plan MidAmerican included a request to continue its Incentive Gas Supply Procurement Plan (IGSPP). The IGSPP is a three-year pilot project that would allow MidAmerican a reward or penalty depending on how its gas procurement costs compare with a benchmark price. On November 19 the Consumer Advocate filed a motion to dismiss the filing because of a request for workshops the Board was considering. At the same time the Consumer Advocate filed a motion to sever the IGSPP from MidAmerican's plan filing. On December 18 the Board denied the motion to dismiss and granted the motion to sever. The docket is pending.

### **SVG-98-2 and SVG-98-3 IES Utilities Inc. and Interstate Power Company**

On November 4 IES and Interstate requested that the Board establish workshops concerning small volume gas transportation to accomplish a single competitive end-state. The parties proposed the workshop process would have a goal that participants align around a set of rules concerning several issues including, but not limited to, customer education, codes of conduct, and marketer certification. The Board granted the request for workshops on December 18. On December 10 IES and Interstate filed a request for extension of time to file their small volume gas plans which was due on December 15. The Board denied the request on December 18. The docket is pending.

### **SVG-98-4 United Cities Gas Company**

On November 15 United Cities filed its small volume gas plan. The docket is pending.

### **SVG-98-5 Peoples Natural Gas, Division of Utilicorp United Inc.**

On December 15 Peoples filed its revised unbundling plan. The docket is pending.

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## Telephone Certificates

IOWA CODE § 476.29 gives the Board the authority to establish non-exclusive service territories for telephone utilities and grant certificates of public convenience and necessity. A TCU is established to enable the Board to evaluate requests to initiate or modify authority to provide local exchange telephone service.

### **TCU-96-2 City of Hawarden**

On March 15, 1996, Hawarden filed an application requesting authorization to provide land-line telephone service as a part of a telecommunications or cable communication system. On May 14 the Board dismissed the application for lack of jurisdiction. After the legislature granted the Board jurisdiction, Hawarden filed a second amended application on June 11, 1997. On September 19 the Board conditionally granted the application for a certificate on the condition that Hawarden offer to serve customers throughout the entire exchange with comparable service and rates. On October 15 Hawarden filed a tariff and maps. Revisions were filed on October 29, December 19, and January 7, 1998. On February 13, 1998, the Board approved the tariff, in part, requiring a number of pages to be refiled. Hawarden received its certificate on March 6.

### **TCU-96-4 Western PCS I Corporation**

On May 29, 1996, Western requested authority to provide local exchange telecommunications service on a statewide basis. Western stated it intended to resell wireline local exchange service and service offered by authorized interexchange carriers. On August 27, 1996, the Board approved the application for certificate. On December 30, 1997, Western filed an initial tariff and a statement of intent to adopt the service territory maps of U S West. Western also requested the Board transfer its certificate to Eclipse Communications Corporation. On February 11, 1998, the Board approved the adoption of U S West's maps, granted the request to withdraw its tariff, and the substitution of Eclipse as the applicant. A certificate will be issued after a tariff is approved.

### **TCU-97-13 Farmers' and Business Men's Telephone Company**

On April 28, 1997, Farmers' filed an application for a certificate to resell local exchange service in the Bennett and Lowden exchanges served by GTE. The application was granted on June 9, 1997. The Board approved Farmers' tariff, granted a waiver of the map requirement, and issued a certificate on July 23, 1998.

### **TCU-97-25 North West Rural Electric Cooperative**

On August 8, 1997, NWREC filed an application to provide resold local exchange service in the exchange areas served by U S West, Heartland Telecommunications Company of Iowa, and GTE. The application was granted on October 2. On December 8 NWREC filed maps showing the exchanges in which it intended to provide service. A tariff was also filed. The Board issued a certificate on January 7, 1998.

**TCU-97-32 Grand Mound Communications Company**

On September 19, 1997, Grand Mound filed an application to provide local exchange service in a portion of the DeWitt exchange served by GTE. GTE filed an objection and a hearing was held on December 18. On February 16, 1998, the Board issued an order granting the application on the condition Grand Mound offer to serve customers throughout the entire exchange with comparable service at comparable rates. A certificate will be issued pending filing and approval of appropriate tariffs and maps.

**TCU-97-34 Corn Belt Communications, Inc.**

CB Communications filed an application on October 14, 1997, to provide service to the Lake View exchange by purchasing unbundled network elements from GTE, constructing new facilities, or by a combination of these methods. The application was granted on November 7. On July 2 CB Communications filed a tariff and requested waiver of the mapping rule. On July 24, 1998, the Board approved the tariff, granted the waiver, and issued a certificate to Corn Belt.

**TCU-97-36 Coon Rapids Municipal Utilities**

On October 24, 1997, Coon Rapids filed an application to provide land line local telecommunications service as part of a telecommunications or cable communications system within the Coon Rapids exchange. GTE, the Iowa Telephone Association, and the Iowa Association of Municipal Utilities filed petitions to intervene. A hearing was held on January 14, 1998. On March 23 the Board issued an order granting the application for certificate on the condition that Coon Rapids offer to serve customers throughout the exchange at comparable service and comparable rates and that Coon Rapids maintain books, records, and accounts in a manner which is easily accessible by the Board. After reviewing and approving the tariff and map filed by Coon Rapids, the Board issued a certificate on September 2.

**TCU-97-37 North American Telecommunications Corporation**

On October 27, 1997, North American filed an application to provide resold local exchange service within the service area of U S West. The company also requested waiver of requirements governing location of records, publication of directories, and requiring accounts. The Board approved the application and granted the waivers on January 21, 1998. A certificate will be issued pending filing and approval of appropriate maps and tariffs.

**TCU-97-40 CommChoice of Iowa, L.L.C.**

CommChoice filed an application on November 12, 1997, to provide resold local exchange service in the exchanges served by US West, GTE, and Frontier. CommChoice indicated it may also construct facilities in the future. The application was granted on December 16. On March 18, 1998, the Board approved CommChoice's tariff, granted a waiver of the map requirement, and issued a certificate.

**TCU-97-41 Atlas Communications, Ltd.**

On November 25 Atlas filed an application to provide resold local exchange service throughout the state of Iowa. Atlas also requested the Board waive the requirements requiring accounts, governing location of records, and requiring publication of directories. The application was approved on January 21, 1998. A certificate will be issued pending filing and approval of appropriate tariffs and maps.

**TCU-97-42 Twin Rivers Valley Telephone**

On December 15, 1997, TRVT filed an application to provide resold local exchange service in nine exchanges served by U S West. The Board approved the application on March 17, 1998, and will issue a certificate pending filing and approval of appropriate tariffs and maps.

**TCU-97-43 Teligent, Inc.**

Teligent filed an application on December 22, 1997, to provide resold local exchange services and facilities-based local service in the exchanges served by U S West. The Board granted the application on March 12, 1998. A certificate will be issued after appropriate maps and tariffs are filed and approved.

**TCU-97-45 Easton Telecom Services Inc.**

On December 26, 1997, Easton filed to provide resold local exchange service throughout the state of Iowa. Easton also requested waiver of requirements requiring accounts, governing the location of records, and requiring publication of directories. The application was approved and the waivers granted on March 17, 1998. After appropriate tariffs and maps are approved, a certificate will be issued.

**TCU-98-1** Void docket number

**TCU-98-2 Western Iowa Power Cooperative**

On January 8 WIPCO filed an application to resell local exchange service in nine counties in exchanges served by U S West, GTE, and Frontier. On February 17 the Board granted the application. A certificate will be issued after appropriate maps and tariffs are filed and approved.

**TCU-98-3 North West Rural Electric Cooperative**

On January 7 the Board issued a certificate (TCU-97-25) authorizing NWREC to furnish service to certain exchanges served by U S West, GTE, and Heartland. On February 4, 1998, NWREC filed an application to amend its certificate to include certain exchanges served by Frontier and to adopt Frontier's maps for the specified exchanges. On March 25 the Board granted the application for amendment of its certificate. After approval of tariffs the Board will issue an amended certificate.

**TCU-98-4 Clarence Telephone Company, Inc.**

On February 19 Clarence Telephone filed an application for modification of its certificate to provide local exchange services as a competitive local exchange carrier in the adjacent exchanges of Tipton and Stanwood served by Contel System of Iowa d/b/a GTE Systems of Iowa. The Board granted the application on April 7 and issued a certificate on October 30.

**TCU-98-5 Comm South Companies, Inc.**

On February 20 Comm South filed an application to provide resold local exchange service in exchanges served by U S West and GTE. Comm South proposed to provide, on a prepaid basis, custom services, access to 911 service, and 800 number services. The application was granted on May 8. A certificate was issued on July 7.

**TCU-98-6 Farmers Telephone Company**

On March 4 Farmers filed an application to amend its certificate to include the Shenandoah exchange served by U S West. The Board granted the application on April 13. A certificate will be issued after appropriate maps and tariffs have been approved.

**TCU-98-7 GTE Midwest Incorporated**

On March 6 GTE filed an application for modification of the certificates of three of its predecessor companies: Contel of Iowa, Inc., d/b/a GTE Iowa; Contel System of Iowa, d/b/a GTE Systems of Iowa; and GTE North Incorporated. GTE's application requested authority to provide service throughout Iowa. The Board granted the application on July 22 except that it would not amend the predecessor certificates but would issue a certificate in the name of GTE Midwest Incorporated. The certificate will be granted after appropriate maps and tariffs are approved.

**TCU-98-8 Laurens Municipal Broadband Communications Utility**

On April 2 Laurens filed an application to provide service using a combination of facilities and leased unbundled loops in the Laurens exchange currently served by U S West. The Board conditionally granted the application on June 25 pending approval of maps and tariffs.

**TCU-98-9 Firstel, Inc.**

On April 3 Firstel filed an application to amend its certificate to provide resold local exchange service in certain exchanges in which U S West provided service. The Board granted the application to amend the certificate on June 19. On July 14 the Board approved Firstel's tariff, granted a waiver of the map requirement, and issued a certificate.

**TCU-98-10 Alpine Communications, L.C.**

On April 20 Alpine filed an application to provide local exchange service in certain exchanges served by U S West and GTE. On May 28 Alpine filed an amendment to its application requesting its certificate be transferred to Alpine Network Service, L.C., a limited liability company subsidiary in which it is the sole member. The Board granted the application and issued a certificate on July 14.

**TCU-98-11 Central Communications Network, L.C.**

On May 8 Central filed an application to provide service through resale, purchasing unbundled network elements, and the construction of new facilities in several exchanges served by U S West and GTE. The Board granted the application on July 23. A certificate will be issued after appropriate maps and tariffs have been approved.

**TCU-98-12 East Buchanan Telephone Cooperative**

On May 12 East Buchanan filed an application for modification of its certificate in order to provide local service in exchanges adjacent to its service area. The application for modification was approved on June 25. An amended certificate will be issued after appropriate maps and tariffs have been filed and approved.

**TCU-98-13 South Slope Cooperative Telephone Company**

On May 29 South Slope filed an application for amendment of its existing certificate to provide facilities-based local service in the Cedar Rapids area. The Board granted the application on August 17. After appropriate maps were approved, the Board issued a certificate on September 2.

**TCU-98-14 MCI Metro Access Transmission Services, Inc.**

On June 2 MCImetro filed an application for amendment of its certificate. MCImetro requested a transfer of its certificate to its new corporate entity, MCImetro Access Transmission Services LLC, and permission to discontinue providing services under its present name. The application was granted on June 30. The amended certificate will be issued upon notification of the effective date of its merger.

**TCU-98-15 South Slope Cooperative Telephone Company, Inc.**

On June 4 South Slope filed an application for amendment of its certificate to provide service in additional exchanges served by GTE. The application was granted on July 14. An amended certificate will be issued upon approval of appropriate tariffs and maps.

**TCU-98-16 Aliant Midwest, Inc.**

On June 12 Aliant filed an application for amendment of its certificate to provide local service throughout Iowa through resale and by combining unbundled network elements. The application was granted on July 13. A certificate will be issued after approval of appropriate maps and tariffs.

**TCU-98-17 Farmers' and Business Men's Telephone Company**

On June 30 Farmers filed an application for amendment of its certificate to provide local exchange service in the Delmar exchange served by GTE. The application was granted on August 10. An amended certificate will be issued after approval of appropriate maps and tariffs.

**TCU-98-18 Preferred Carrier Services, Inc.**

On July 1 PCS filed an application for a certificate to provide resold local exchange service throughout the state of Iowa. PCS also requested a waiver of the requirements regarding location of records, availability of records, and requiring publication of directories. The application and waiver request were granted on September 29. A certificate will be issued after approval of appropriate maps and tariffs.

**TCU-98-19 ICG Telecom Group, Inc.**

On July 1 ICG filed an application for a certificate to provide resold local exchange service in the state of Iowa. The application was granted on August 10. On September 17 ICG filed a proposed tariff for the provision of such service. On October 19 ICG requested to withdraw the tariff because due to recent changes in its business plan, it does not plan to provide local service in Iowa. The Board granted ICG's request on October 28.





**TCU-98-20 Wilton Telephone Company**

On July 31 Wilton filed an application for amendment of its existing certificate to provide facilities based local exchange service in the Durant and Moscow areas served by GTE. The application was granted on September 10. A certificate will be issued after approval of appropriate maps and tariffs.

**TCU-98-21 Digital Teleport, Inc.**

On September 1 Digital filed an application for a certificate to provide resold local exchange service in the exchanges served by U S West and GTE. The application was granted on October 1. A certificate will be issued after approval of appropriate maps and tariffs.

**TCU-98-22 Mediapolis Telephone Company**

On September 3 Mediapolis filed an application for a certificate to provide local exchange service in five exchanges served by GTE. The Board granted the application on October 9. A certificate will be issued after approval of appropriate maps and tariffs.

**TCU-98-23 Jato Communications Corporation**

On September 22 JATO filed an application to provide local exchange service in the Des Moines and Davenport exchanges served by U S West. The Board granted the application on December 14. A certificate will be issued after approval of appropriate tariffs and maps.

**TCU-98-24 Alta Municipal Utilities**

On October 1 Alta filed an application for a certificate to provide resold local exchange service in the Alta exchange served by U S West. The application was granted on December 18. A certificate will be issued after approval of appropriate maps and tariffs.

**TCU-98-25 LTDS Corporation**

On October 1 LTDS filed an application for a certificate to provide local exchange service in certain areas served by U S West and GTE. The Board granted the application on December 4. A certificate will be issued after approval of appropriate maps and tariffs.



## Waivers of Rules

A utility or interested person may petition the Board to temporarily lift a requirement to comply with a certain rule or rules if circumstances make compliance impractical or inappropriate. The Board decision for a rule waiver (WRU) considers the interests of both the utility and its customers.

### **WRU-97-30-272 U S West Communications, Inc.**

On December 1, 1997, David Seawel requested a waiver of rules regarding point-to-point studies on behalf of Independence customers. On January 9, 1998, the request for waiver was denied because the point-to-point usage study did not justify the cost of balloting customers. On January 15 the petitioner filed a letter requesting reconsideration of the denial of waiver. The request was denied on February 2 because no new issues were raised.

### **WRU-97-31-156 (TF-97-365) and WRU-97-32-156 (TF-97-366)**

#### **MidAmerican Energy**

On December 2, 1997, MidAmerican filed a request for two waivers regarding its electric and gas sales tariffs. The first, WRU-97-31-156, was a petition for exemption from the requirements for monthly meter readings for customers in low customer density areas to readings on a bi-monthly or quarterly basis. The second waiver, WRU-97-32-156, was a request for waiver to limit the time frame for refunds and backbilling to a period not to exceed five years. Current Board rules do not have a time limit on the overcharge refund period for incorrect reading of the meter, incorrect application of the rate schedule, incorrect meter installation, or similar reasons. On January 2 the Board approved both waiver requests. The time limit on WRU-97-32-156, however, was set at ten years.

### **WRU-97-33-151 (ARG-97-151) IES Utilities**

On December 8, 1997, IES filed a request for waiver of the rule which requires utilities to file prepared direct testimony and exhibits in conjunction with filing natural gas procurement plans because it had included all necessary information in its earlier filing on or about November 1. The request was granted on January 9.

### **WRU-97-36 Aase Haugen Home Properties , Inc.**

On December 12, 1997, Aase requested a waiver of the requirement for individual metering for electric service to a multi-occupancy premise. The project is for housing for persons 55 years of age and older. The request was granted on January 5.

### **WRU-98-1-450 Olin Telephone Company**

On January 14 Olin requested a waiver of Iowa Code regarding criteria to proceed with customer surveys to establish extended area service between its exchange at Morley and the U S West exchange at Anamosa. The Board determined sufficient community of interest existed and granted the waiver on February 11.

**WRU-98-2 Homestead Cooperative**

On January 20 Homestead requested a waiver regarding individual metering requirements for gas and electric service to a multioccupancy premise for senior citizens in Hartley. The Board approved the request on February 11.

**WRU-98-3-150 (EEP-94-40) Interstate Power Company**

On January 22 Interstate requested a waiver of the rule which requires a utility to file an automatic adjustment of its energy efficiency cost recovery factor by March 1 of each year for the 12 month period beginning at the start of the first billing month at least 30 days after Board approval of its filing. Interstate requested an August 1 filing date. The Board approved the waiver on February 13.

**WRU-98-4-941 (EEP-94-23) Linn County Rural Electric Cooperative**

On January 22 Linn County requested a waiver of rules which prescribe the procedure for recovery of energy efficiency expenditures. The Board granted the waiver on February 27.

**WRU-98-5-151 (EEP-95-1) IES Utilities Inc.**

On January 30 IES filed a request for waiver of the rule which requires a utility to file an automatic adjustment of its energy efficiency cost recovery factor by March 1 of each year for the 12 month period beginning at the start of the first billing month at least 30 days after the Board's approval of its filing. IES requested a June 27 filing date. The Board granted the waiver on February 12 because it will ensure consistency in IES's ECR collections and will avoid the potential of multiple price changes in less than a one-year period.

**WRU-98-6-156 MidAmerican Energy Company**

On February 6 MidAmerican requested a waiver of the requirement that substation equipment be physically isolated by fences, screens, partitions or walls, and prohibits use of the enclosed area for storage. On March 31 the Board denied the waiver because MidAmerican's separation by distance practice does not comply with the clear language of the National Electric Safety Code referenced in the Iowa Code.

**WRU-98-7-766 Waverly Light and Power**

On February 9 Waverly filed a request for waiver of the rule which requires non-rate-regulated utilities to file biennial energy efficiency plans. Iowa Code allows the Board to waive the energy efficiency plan filing requirements for municipal utilities which "demonstrate superior results with existing energy efficiency programs. The Board granted the waiver on February 27.

**WRU-98-8-156 (TF-98-60) MidAmerican Energy Company**

On March 2 MidAmerican requested a waiver of the requirement which requires cost recovery factors to be calculated over 12 months. The company proposed to calculate the gas factors for ECR-94-3 for 15 months rather than 12 to avoid a sharp increase because the recovery would fall over low summer gas usage volumes. The Board approved the waiver on April 2.



### **WRU-98-9-156 MidAmerican Energy Company**

On March 2 MidAmerican requested a waiver of rules that require utilities to file information regarding a supplier refund within 30 days of receipt of the refund. MidAmerican requested additional time to calculate the refund because an application for rehearing has been filed with the FERC and there is the possibility that refunds might have to be returned in whole or part. The Board granted the request on April 22 and required MidAmerican to file the report concurrent with their annual PGA until the federal docket is concluded.

### **WRU-98-10-151 IES Utilities Inc.**

On March 2 IES requested a waiver of rules that require utilities to file information regarding a supplier refund within 30 days of receipt of the refund. IES requested additional time to calculate the refund because an application for rehearing has been filed with the FERC and there is the possibility the refunds might have to be returned in whole or part. The Board granted the request on April 22 and required IES to file the report concurrent with their annual PGA until the federal docket is concluded.

### **WRU-98-11-150 Interstate Power Company**

On March 4 Interstate requested a waiver of rules that require utilities to file information regarding a supplier refund within 30 days of receipt of the refund. Interstate requested additional time to calculate the refund because an application for rehearing has been filed with the FERC and there is the possibility the refunds might have to be returned in whole or part. The Board granted the request on April 22 and required the report to be filed concurrent with Interstate's annual PGA filing until the federal docket is concluded.

### **WRU-98-12-225 (WRU-96-7-225) Peoples Natural Gas Company**

On May 22, 1996, the Board, in WRU-96-7-225, waived portions of Iowa Code and approved a bimonthly meter reading pilot program with modifications. On March 4 Peoples filed a request to extend the pilot project and to extend the time for filing its 1997 report on the project to April 30, 1998. On April 20 the Board granted the waiver but required Peoples to file an information report for 1998 containing the same information as prior reports.

### **WRU-98-13-225 Peoples Natural Gas Company**

On March 5 Peoples filed a request for waiver of the requirement that utilities file information regarding supplier refund within 30 days of receipt of the refund. Peoples requested additional time to calculate the refund because an application for rehearing has been filed with the FERC and there is the possibility the refunds might have to be returned in whole or part. The Board granted the request on April 22.

### **WRU-98-14 CommChoice of Iowa, L.L.C.**

On March 6 CommChoice requested a waiver of mapping requirements so that it could adopt the service territory maps of U S West for the Sioux City exchange. The Board granted the request on March 18.



**WRU-98-15 (WRU-92-38-154) Iowa Public Service Company**

On June 29, 1992, the Board granted a waiver in WRU-92-38-154 to Ag Processing Inc. and Iowa Public Service Company, a predecessor to MidAmerican Energy Company, for a period of five years of the rule which defines a "qualifying alternate energy production facility". On March 18 Ag Processing filed a request to renew or extend the waiver. On April 20 the Board granted the extension for the term of the contract between Ag Processing and MidAmerican.

**WRU-98-16** Void docket number

**WRU-98-17 Hawkeye Power Partners, LLC**

On April 17 Hawkeye filed for a waiver of all generating certificate requirements. On May 21 the Board granted the request because the Hawkeye project fell within the 25 to 100 MW range where the Board has the authority to grant a waiver if it determines the public interest would not be adversely affected by the waiver.

**WRU-98-18 U S West Communications, Inc.**

On April 27 Dr. Mickey Burt filed, on behalf of Walcott customers, a request for waiver concerning telephone usage standards for establishment of extended area service. The request was based on the refusal of U S West to ballot customers in Walcott to establish EAS to the Dixon, Durant, and Eldridge exchanges in Iowa and the Rock Island, Moline, and East Moline exchanges in Illinois. On June 4 the Board denied the request because the calling patterns of the customers did not justify the cost of balloting the customers in those exchanges.

**WRU-98-19-519 Winnebago Cooperative Telephone Association**

On May 15 Winnebago filed a request for waiver of the rule which requires a telephone utility to publish a directory not less than annually, except for good cause shown. Winnebago's new publisher makes directories available in January instead of November 1998 when the next directory was due. The Board granted a one-time waiver on June 5.

**WRU-98-20-225 (PGA-98-23) Peoples Natural Gas Company**

On May 22 Peoples filed a request for waiver of the rule which became effective on March 18 which changed the manner in which the denominator of the Rb factor was calculated. Peoples requested permission to continue to calculate the Rb factor in the same manner as it did for February, March, April, and May through the remainder of the PGA year. On May 29 the Board granted the request because allowing Peoples to calculate the Rb factor under the prior rule to complete the current PGA year would eliminate a substantial undercollection.

**WRU-98-21-156 MidAmerican Energy Company**

On May 22 MidAmerican filed a request for partial waiver of the portion of the National Electrical Safety Code (NESC) which provides that entrances to electric supply stations "not under observation of an authorized attendant shall be kept locked." The NESC is adopted as part of the Iowa Electrical Safety Code with certain modifications. The Board conditionally granted the waiver on August 4 because a locked gate, while personnel are working at the substation, could hinder or deny emergency personnel access in the event of an accident or injury. The waiver was conditioned by requiring that if a substation gate is not locked when personnel are present, the gate must be closed and, if so equipped, the gate must also be latched or fastened.

**WRU-98-22-156 MidAmerican Energy Company**

On June 11 MidAmerican filed a request for waiver of the rule which provides that each rate-regulated electric utility is to file each year fuel, freight, and transportation invoices for the two months selected by the Board. The invoices are used to verify actual costs that flow through an electric utility's energy adjustment clause. The Board selected July and August 1997 on May 1. Because MidAmerican was not implementing an EAC after July 11, 1997, the Board granted the waiver on July 14.

**WRU-98-23 Lytton Housing Inc.**

On June 11 Lytton requested a waiver of individual metering requirements for electric service provided to a multi-occupancy premise. Lytton requested permission to install electric master metering for three small all-electric apartment buildings. Senior citizens or handicapped persons occupy the majority of the apartments. The request was granted on July 23.

**WRU-98-24 Regency Plaza, L.L.C.**

On June 12 Regency filed a request for waiver of the rule regarding individual metering requirements for gas and electric service provided to multi-occupancy premises. Regency intended to lease one-half of the building to a single tenant on a short-term basis and would occupy the rest of the building itself. Upon expiration of the lease Regency would occupy the entire building. Gas and electric charges are included in the tenant's rent. The Board granted the waiver on July 31 because it would be impractical to require Regency to install separate electric and gas meters for a short-term lease.

**WRU-98-25-151 (RFU-98-9) IES Utilities Inc.**

On May 15 IES filed a plan to distribute funds received from ANR Pipeline Company and Natural Gas Pipeline Company by bill credit or check. (RFU-98-9) On June 16 IES requested a waiver of the rule which requires utilities to return pipeline refunds by check in the amount of \$1 or more to former customers. IES requested to increase the minimum amount to be refunded by check to \$3. IES maintained significant administrative burden and expense was involved because 25,000 former customers were entitled to a refund check in the amount of \$1 or more. The Board granted the request on July 23 requiring IES to refund, by check, to former customers amounts of \$3 or more and issue a check to any former customer, upon request, a refund of less than \$3. Any remaining unrefunded amounts would be included in its annual PGA reconciliation on October 1.

**WRU-98-26-151 and WRU-98-27-150 (TF-98-155 and TF-98-150)**

**IES Utilities Inc. and Interstate Power Company**

On June 22 IES and Interstate each filed proposed tariffs which would allow the utilities to offer individual electric service contracts to customers. They also requested a waiver of the flexible pricing rules, which contain limits on, among other things, length of contracts and contract pricing. On December 18 the Board conditioned its approval of the tariff and waiver requests with terms similar to those contained in Docket Nos. APP-96-1 and RPU-96-8. The terms alleviate concerns with cross-subsidization, price discrimination, predatory pricing, awareness of risk, and length of contract.

**WRU-98-28-465 (TCU-98-9) (TF-98-152) FirsTel, Inc.**

On June 26 FirsTel requested a waiver of the rule that requires utilities to file maps that identify the boundaries of their own exchanges and boundaries of the exchanges of other utilities. FirsTel requested to use the existing exchange maps filed by U S West. The waiver was granted on July 14 subject to the understanding that FirsTel would serve all eligible customers in the service area identified in the U S West exchange maps as they appear now and as they may change in the future.

**WRU-98-29** Void. See WRU-98-23.

**WRU-98-30-3114 (TF-98-168) Corn Belt Communications, Inc.**

On July 2 Corn Belt requested a waiver to allow it to concur in the Lake View service territory map of GTE. The Board granted the request on July 24.

**WRU-98-31-156 MidAmerican Energy Company**

On July 9 MidAmerican filed a request for partial waiver of the rule which requires electric utilities to file semiannual reports detailing flexible rate contracts offered within the prior six months. Most of the commercial contracts would only be in effect for two months or less before the filing date of July 31. The Board granted the waiver on July 31, but required MidAmerican to provide certain current information within 30 days of the order.

**WRU-98-32-272 U S West Communications, Inc.**

On July 10 U S West filed a request for a waiver of the rule that requires public utilities to file certain affiliate information annually with the Board on or before June 30. The filing was made on July 10. The Board granted the waiver on July 23.

**WRU-98-33-259 Frontier Communications of Iowa, Inc.**

On July 16 Frontier requested a waiver of the requirement that public utilities file certain affiliate information annually with the Board on or before June 30. Frontier filed on July 16. The request was granted on July 23.



**WRU-98-34-150 (RFU-98-16) Interstate Power Company**

On July 17 Interstate requested a waiver of rules that require utilities to file information regarding a supplier refund within 30 days of receipt of the refund. Interstate requested additional time to calculate the refund because an application for rehearing has been filed with the FERC and there is the possibility the refunds might have to be returned in whole or part. The Board granted the request on August 17 and required the report to be filed concurrent with Interstate's annual PGA reconciliation filing.

**WRU-98-35-225 Peoples Natural Gas Company**

On July 20 Peoples filed a request for waiver of the June 30 filing date for affiliate information. Peoples made its filing on July 16. The Board granted the waiver on July 23.

**WRU-98-36-150, WRU-98-36-151 (TF-98-186, TF-98-187) IES Utilities Inc. and Interstate Power Company**

On July 27 IES and Interstate filed proposed tariffs which would include in their respective energy adjustment clause (EAC) calculations revenues lost through alternate energy production (AEP) net billing. At the same time they filed a request for waiver of the requirement that allows only for recovery of AEP purchases through the EAC. IES and Interstate claimed the practical effect of net billing is to require them to purchase AEP power at retail rates, which it should be allowed to recover through the EAC. On August 21 the Board rejected the tariffs and the waivers because the EAC is a sliding scale adjustment designed to recover electric energy and fuel purchases, not to compensate utilities for lost revenues.

**WRU-98-37-150 (RFU-98-18) Interstate Power Company**

On August 10 Interstate requested a waiver of the rule which requires a utility to file a refund report within 30 days of receipt of a refund from a supplier. Interstate inadvertently failed to file a report on a refund received on June 30 until August 10. The Board granted the waiver on September 29.

**WRU-98-38 (GCU-98-1) Archer-Daniels-Midland Company**

On August 26 ADM filed a request to waive the rule requiring that an informational meeting be held not less than 30 days prior to the filing of an application to construct or alter an electric generating plant. ADM planned to expand its existing Cedar Rapids cogeneration plant from 150 to 230 MW. Since ADM sought no new easements or condemnations, the Board granted the waiver on September 11.

**WRU-98-39-151 IES Utilities Inc.**

On September 15 IES filed a request for waiver of two of the electric flexible rate rules with respect to a proposed contract with Keokuk Ferro-Sil, Inc. These rules provide that the ceiling for all discounted rates shall be the approved rate on file for the customer's rate class and that the floor for the discount rate shall be equal to the energy costs and customer costs of serving a specific customer. After hearing the Board granted the waiver on December 23. IES was required to file certain information on a quarterly basis so the contract prices and IES's production costs could be analyzed.





**WRU-98-40-150, WRU-98-41-150 Interstate Power Company**

On October 2 Interstate filed a petition for waiver of the rule which requires a utility to file on or before October 1 a reconciliation of its underbillings and overbillings of the purchased gas adjustment for the 12-month period which began on September 1 of the previous year. Docket WRU-98-40-150 pertains to Interstate's reconciliation filing of billings for the Natural Gas Pipeline Company service territory. Docket WRU-98-41-150 relates to the Northern Natural Gas Company pipeline service territory. Interstate asked for a ten day extension to file because it had not received all of the billings for the month of August necessary to complete the filings. The Board granted the request on October 9.

**WRU-98-42-225 Peoples Natural Gas Company**

On October 14 Peoples requested a waiver of the rule which states that in those years a gas utility does not file an energy efficiency plan, the utility must file by November 1 the information required in subrule 35.10(1). On October 22 the Board granted an additional 60 days to Peoples to file its forecast.

**WRU-98-43-151 (PGA-98-60) IES Utilities Inc.**

On September 29 IES filed its annual purchased gas adjustment (PGA) reconciliation filing. The calculation in the filing showed a net overbilling exceeding 3 percent of the annual cost of purchased gas for one of the PGA groupings, the interruptible class. On October 26 IES requested a waiver to allow it to refund the entire overcollection plus interest by applying a reduction to the PGA factor for the December 1998 billing. IES stated it would be more cost-effective and accurate than making the refunds on a customer-by-customer basis. The Board granted the request on October 29.

**WRU-98-44-156 MidAmerican Energy Company**

On October 27 MidAmerican asked the Board to waive that portion of the rule which requires a gas utility, in those years in which it does not file an energy efficiency plan, to file a forecast by November 1. The company asked for an additional 30 days to complete the forecast. The Board granted the waiver on October 30.

**WRU-98-45-241 AmeriTel Pay Phones, Inc.**

On September 24 AmeriTel requested a waiver of the Board's reorganization rules. In the alternative, AmeriTel asked for approval of its reorganization. The Board rejected the application for waiver on November 5. The company does not provide local exchange telecommunications service and, therefore, is not subject to the Board's jurisdiction with respect to reorganization.

**WRU-98-46 U S West Communications, Inc.**

On November 18 applications were filed requesting a waiver of the results of a point-to-point usage study between the Dawson and Des Moines, Jamaica, Minburn, Rippey, Panora, and Yale exchanges. Because the number of calls from Dawson to Des Moines came very close to the requirements, the Board granted the waiver on December 7 with respect to the point-to-point usage study between Dawson and Des Moines. U S West was directed to commence customer balloting in the Dawson exchange for one-way EAS to Des Moines.



**WRU-98-47 Amana Colonies Telephone Company**

On November 19 Amana requested a waiver to permit it to conduct a customer survey to determine interest in one-way EAS with the South Slope exchanges of Newhall, Fairfax, Norway, Ely, and North Liberty. The traffic study conducted by Amana showed that the call traffic between Amana and the South Slope exchanges was significant but not quite sufficient to satisfy Board requirements. On December 14 the Board granted the waiver finding there was sufficient community of interest to justify a survey of the customers.

**WRU-98-48 (ES-272) U S West Communications, Inc.**

On November 17 an application was received asking the Board to reconsider its decision in WRU-98-18 denying the request for waiver of a point-to-point usage study between Walcott and the Dixon, Durant, and Eldridge exchanges in Iowa and the Rock Island, Moline, and East Moline exchanges in Illinois. The results of the study did not indicate sufficient community of interest between Walcott and the requested exchanges. A letter from the executive secretary to the applicant explained that a showing of additional information on community of interest must be demonstrated in an application for reconsideration.

**WRU-98-49-150 (TF-98-194, TF-98-195, EEP-94-40, ECR-96-1)**

**Interstate Power Company**

On July 29 Interstate filed a petition for waiver of the rule which requires ECR factors to be recovered over 12 months. The company requested the Board allow it to provide a one-time bill credit of the net refund to all active Iowa jurisdictional electric and gas customers. The Board approved the waiver on December 18.



## Federal Communications Commission

The FCC continued its implementation of the Telecommunications Act of 1996. The Board has supported the FCC's efforts to increase the role of competition in local and long-distance telecommunications markets.

The Board commented in the following major rulemaking activities:

CC-96-45	Federal-State Joint Board on Universal Service
CC-96-98	Implementation of the Local Competition Provisions in the Telecommunications Act of 1996
CC-95-185	Interconnection between Local Exchange Carriers and Commercial Mobile Radio Service Providers

## Federal Energy Regulatory Commission

The FERC continued promoting of competition in the electricity industry at the wholesale level. Iowa's investor-owned electric utilities began the process, required by FERC's Order No. 888, of delineating distribution and transmission facilities. The Board will continue to regulate the distribution facilities, while the FERC will exercise jurisdiction over the transmission facilities.

The FERC gave final approval of the construction applications of Northern Border Pipeline Company in Docket No. CP95-194 and Alliance Pipeline LP in Docket No. CP97-168. The Board participated in the environmental analysis of both projects to assure recognition of the rights of Iowa landowners and the interests of Iowa natural gas consumers.

The FERC began work on a rule to require natural gas pipelines to give better notification to landowners of construction plans. The Board participated actively in this proceeding to assert the rights of Iowa landowners and the state's land restoration goals.

The Board participated in a number of individual case dockets at the FERC. In Northern Natural Gas Company's rate case, FERC Docket No. 98-203, a settlement was reached among the parties to this case, avoiding the need for lengthy hearings. The Board filed comments and presented statements in several policy dockets concerning electric transmission and reliability coordination. The merger of MidAmerican Energy Company and CalEnergy Company was reviewed by the FERC in Docket No. Docket No. EC98-63. The Board supported the transaction consistent with its decision in IUB Docket SPU-98-8. Late in the year, MidAmerican Energy asked FERC, in Docket No. EL99-3, to declare that Iowa's net metering rules violate federal law. The Board has advocated the validity of its rules and the state statutes on which they are based.

## Iowa District Court

### **MidAmerican Energy v. Iowa Utilities Board, Polk County No. AA-2844**

(Docket Nos. AEP-95-1, AEP-95-2, AEP-95-3, AEP-95-4, AEP-95-5)

On October 25, 1996, MidAmerican Energy filed a petition for review of the Board's decision that MidAmerican was required to purchase electric power from and enter into contracts with alternate energy production (AEP) developers. In addition to disputing several of the Board's findings, MidAmerican claimed federal law preempted the application of Iowa's alternate energy production law. The case has been remanded to the Board for the limited purpose of bargaining the rate language contained in the Board's decision.

### **GTE v. Iowa Utilities Board, Polk County No. AA-2913**

(Docket No. TCU-96-12)

On April 7, 1997, GTE Midwest Incorporated filed a petition for judicial review alleging the Board erred in granting a certificate of public convenience and necessity to South Slope Corporate Telephone Company. A hearing was scheduled for April 24, 1998, but was continued by the court on July 6, 1998, pursuant to a motion filed by GTE, and a second joint motion.

### **North Star Steel v. Iowa Utilities Board, Polk County No. AA-3127**

(Docket No. DRU-98-1)

On June 25, 1998, North Star Steel Company appealed to Polk County District Court a declaratory ruling issued by the Board. The Board in its ruling found, among other things, that Iowa's exclusive electric service territory statutes (Iowa Code §§ 476.22 through 476.26) apply to generation, transmission, and distribution.

### **MidAmerican Energy Company v. Iowa Utilities Board, Polk County No. AA-3196** (Docket No. C-98-137)

### **MidAmerican Energy Company v. Iowa Utilities Board, Polk County No. AA-3195** (Docket No. C-98-119)

### **MidAmerican Energy Company v. Iowa Utilities Board, Polk County No. AA-3173** (Docket No. C-97-53)

The Polk County District Court consolidated three appeals of Board orders filed by MidAmerican Energy Company in September and October 1998. Each Board order denied MidAmerican a request for formal complaint proceedings and required MidAmerican to interconnect with an alternate energy production facility (AEP) under a net billing arrangement.

### **S. E. Iowa Cooperative Electric Association v. Iowa Utilities Board, Henry County No. LALA010133** (Docket Nos. E-21312, E-21313)

On October 13, 1998, S.E. Iowa Cooperative filed a petition for judicial review of the Board's decision to grant Mt. Pleasant Municipal Utilities' petitions for franchise to erect transmission lines in Henry County, Iowa.

**Iowa Telecommunications Association and Heartland v. Iowa Utilities Board, Polk County No. AA-3026** (Docket No. TCU-96-2)

The Iowa Telecommunications Association and Heartland Telecommunications Company filed a petition for judicial review of the Board's decision to grant the City of Hawarden's application for a certificate of public convenience and necessity. The judge suspended the proceedings on May 1, 1998, until the Iowa Supreme Court ruled in Order No. 97-83.

**Rex Voegtlin v. Iowa Utilities Board, Polk County No. AA-3202** (Docket No. C-98-155)

On December 3, 1998, Rex Voegtlin appealed to Polk County District Court the Board's October 28, 1998, order denying formal complaint proceedings. The Board found a transformer's location did not violate statute or Board rule.

## **Iowa Supreme Court**

**U S West Communications, Inc. v. Iowa Utilities Board, S.Ct. No. 98-392, Polk County No. AA-2950** (Docket No. AIA-96-2)

On February 26, 1998, U S West appealed the district court decision affirming the Board's levy of civil penalties against U S West. The civil penalties were for willful violation of a duty to provide information to MCI Metro Access Transmission Services, Inc., as required by a Board-approved interconnection agreement. U S West voluntarily dismissed its appeal on April 24, 1998.

**Patrick Burke v. Utilities Board, S.Ct. No. 97-1704, Woodbury County No. LA-CV115136** (Docket No. C-97-84)

On November 7, 1997, Patrick Burke appealed to the Supreme Court a district court order affirming the Board's decision denying formal complaint proceedings. The Board found no evidence to suggest meter tampering.

**MCI Telecommunications Corp. v. Iowa Utilities Board, S.Ct. No. 98-840, Polk County No. AA-2996** (Docket Nos. FCU-97-2, FCU-97-3)

MCI Telecommunications Corporation sought judicial review of the Board's dismissal of its complaint seeking a decrease in the access charges of U S West Communications, Inc. The district court remanded the complaint to the Board for hearing on April 1, 1998. U S West appealed the district court decision to the Supreme Court on April 30, 1998, and then voluntarily dismissed its appeal on October 23, 1998. The remand was resolved, finally, when MCI dismissed its complaint at the Board on November 30, 1998.

## **U.S. District Court, Southern District of Iowa**

### **U S West Communications, Inc. et al. v. Thoms, Dierenfeld, George, S.D. No. 4-96-CV-70850**

On December 4, 1996, U S West, Inc., U S West Communications, Inc., and U S West Dex, Inc., filed a complaint for declaratory and injunctive relief against the three Board members in their official capacities. Plaintiffs sought a declaration that the policy in U S West Communications' rate case proceedings of imputing excess profits from yellow pages publishing by U S West Dex violated the First, Fifth, and Fourteenth Amendments to the U S Constitution. Plaintiffs also sought an injunction preventing the Board members from continuing to impute yellow pages excess profits. The Board members filed a motion to dismiss the complaint on December 26, 1996, on the grounds the federal courts have no jurisdiction over state ratemaking matters. Following a lengthy stay, U S West voluntarily dismissed the suit on December 16, 1998, after it entered into a price regulation plan.

### **U S West Communications, Inc. v. Thoms, Boyd & George, AT & T, and MCI Metro Access Transmission, Inc., S.D.**

**No. 4-97-CV-70082** (Docket Nos. ARB-96-1, ARB-96-2)

This is an appeal from a Board decision approving interconnection agreements with MCI and AT&T. U S West mounted numerous statutory and constitutional challenges to the interconnection agreements. At the request of the Board, due to a change in the law, the court ordered a limited remand on January 14, 1998. The Board's decision on remand was returned to court on May 15, 1998. After answers and briefing, oral argument was held and the case was submitted on November 16, 1998.

### **Utilicorp United Inc. v. Branstad and Utilities Board, S.D.**

**No. 4-96-CV-70442, S.Ct. No. 96-1399**

On June 7, 1996, UtiliCorp challenged § 12 of Senate File 2370, which dealt with non-utility service, on various state and federal constitutional grounds. The United States District Court certified three state constitutional questions to the Iowa Supreme Court. On November 26, 1997, the Iowa Supreme Court answered the certified questions and found § 12 did not violate the single-subject and title requirements, privileges, and immunities clause, or the "special law" provisions of the Iowa Constitution. UtiliCorp dismissed its challenge to § 12 without prejudice on January 16, 1998.

### **GTE v. Thoms, Dierenfeld, & George and AT&T, S.D.**

**No. 4-97-CV-70118** (Docket Nos. ARB-96-3, M-263)

GTE Midwest Incorporated appealed February 24, 1997, from a Board decision approving an interconnection agreement with AT&T. Numerous statutory and constitutional challenges were made to the interconnection agreement. Following a change in the law, the court ordered a limited remand on March 4, 1998. The Board completed the remand and returned the matter to the court on August 27, 1998. On September 21, 1998, the proceedings were stayed pending decisions by the Federal Communications Commission and the Eighth Circuit Court of Appeals on matters bearing on the case.

## **U. S. Court of Appeals, Eighth Circuit**

### **North Star Steel v. MidAmerican Energy Company, 8th Cir. No. 98-2987 SIDM**

On December 8, 1997, North Star Steel Company filed suit against MidAmerican Energy Company in the United States District Court for the Southern District of Iowa alleging MidAmerican had violated anti-trust laws. The Board appeared as amicus only. The District Court granted summary judgment in MidAmerican's favor on June 23, 1998. North Star has appealed the decision to the Eighth Circuit.

## **U. S. Supreme Court**

### **Iowa Utilities Board, et al. v. Federal Communications Commission, et al., 8th Cir, No. 96-3321 (Telecommunications Act of 1996) FCC 96-98, 96-185**

On September 6, 1996, the Utilities Board filed a petition for review of the Federal Communication's (FCC) rules governing local telecommunications competition. The Board was joined in the case by 29 state commissions and NARUC. The petitioners in this consolidated proceeding argued that the FCC exceeded its authority in promulgating the rules and specifically challenged the rules regarding the prices that an incumbent local exchange carrier may charge an incoming competitor for interconnection, unbundled access to network elements and resale of its services. The circuit court issued its decision on July 18, 1997 and a rehearing order on October 14, 1997.

Petitions for certiorari were filed on 11-17-97 with the US Supreme Court, which agreed to review the decision. After briefing, the General Counsel, representing the Board and many other state commissions, participated in oral argument on October 13, 1998.

## ASSESSMENTS

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### Remainder Assessments for Fiscal Year 1998

Fiscal Year 1998 Expenditures	
Utilities Division	\$5,890,073.89
Indirect Expenses	5,127.00
Administrative Services Expense	150,689.44
Total Assessable Base	6,045,890.33
Fiscal Year 1998 Deductions	
Direct Assessments (Schedule A)	529,139.01
Pipeline Assessments (Schedule B)	72,372.08
E-Docket Billings (Schedule C)	59,151.65
Federal Project Reimbursement	138,028.67
Misc. Reimbursements	20,081.52
Total Deductions	818,772.93
<b>Assessment Base</b>	<b>\$5,227,117.40</b>

### 1997 Utility Revenues and Assessments

<b>Rate Regulated Utilities<sup>1</sup></b>	<b><u>1997 Revenues</u></b>	<b><u>Assessments</u></b>
Water Companies	\$17,954,426	\$26,185.19
Gas Companies	126,096,464	183,902.30
Electric & Gas Companies	2,325,487,035	3,391,549.66
Telephone Companies	538,514,659	785,383.54
Interexchange Telephone Companies	107,075,097	156,161.06
Rural Electric Cooperative	16,213,784	23,646.60
<b>Sub-Total</b>	<b>3,131,341,465</b>	<b>4,566,828.35</b>
<b>Non-Rate Regulated Utilities<sup>2</sup></b>		
Municipal Electric Companies	218,949,629	159,660.89
Municipal Gas Companies	8,951,426	6,527.52
Municipal Electric & Gas Companies	75,022,900	54,707.68
Rural Electric Cooperatives	436,433,883	318,253.15
Telephone Companies	100,684,311	73,420.29
Interexchange Telephone Companies	65,439,751	47,719.52
<b>Sub-Total</b>	<b>905,481,900</b>	<b>660,289.05</b>
<b>Total of All Utilities</b>	<b>\$4,036,823,365</b>	<b>\$5,227,117.40</b>

#### Assessment Rates:

<sup>1</sup>Rate Regulated Utilities: \$.00145842 or \$1.45 per \$1,000 of Assessable Revenues

<sup>2</sup>Non-Rate Regulated Utilities: \$.000729212 or \$.72 per \$1,000 of Assessable Revenues



## Schedule A

### Direct Assessment Billings

<b>AT&amp;T</b>		<b>LINN COUNTY REC</b>		<b>US WEST</b>	
Tariffs	\$862.89	EAC	1,711.88	ARB-96-1/2	1,961.13
<b>Sub-total</b>	<b>862.89</b>	Tariffs	874.32	DPU-96-1	4,608.08
		<b>Sub-total</b>	<b>2,586.20</b>	RPU-91-4	253.60
<b>Frontier</b>		<b>MIDAMERICAN ENERGY-ELEC.</b>		RPU-96-2	1,333.31
RPU-97-5	2,800.60	APP-96-1	7,803.41	RPU-96-3	511.38
Tariffs	3,237.58	APP-97-2	13,508.76	RPU-96-4	1,313.04
<b>Sub-total</b>	<b>6,038.18</b>	ARC	2,729.44	RPU-96-9	251,101.66
		EAC	1,944.65	RPU-96-10	735.36
<b>GTE</b>		ECR	143.82	RPU-97-3	800.31
RFU	1,102.86	EEP-95-3	1,237.56	RPU-97-4	1,305.16
RPU-96-6	809.02	RFU	3,474.00	RPU-98-1	3,220.20
RPU-96-7	27,682.59	RPU-96-8	1,461.48	Tariffs	12,449.80
Tariffs	7,286.46	Tariffs	34,436.24	<b>Sub-total</b>	<b>279,593.03</b>
<b>Sub-total</b>	<b>36,880.93</b>	<b>Sub-total</b>	<b>66,739.36</b>	<div style="border: 1px solid black; padding: 5px;"> <b>Total Direct Charges</b>  <b>Utilities Division \$529,139.01</b> </div>	
<b>IES</b>		<b>MIDAMERICAN ENERGY-GAS</b>			
ARC	2,878.51	APP-97-1	6,985.60		
ARG	1,778.20	ARG	1,062.66		
EAC	6,903.36	ECR	143.82		
EEP-95-1	2,431.55	EEP-95-3	1,238.03		
PGA	5,829.22	PGA	12,135.83		
RFU	1,109.43	RFU	2,685.45		
Tariffs	4,216.91	RPU-94-3	7,395.16		
<b>Sub-total</b>	<b>25,147.18</b>	RPU-97-6	6,176.16		
		RPU-97-8	4,583.09		
<b>INTERSTATE</b>		Tariffs	13,355.77		
ARC	2,485.62	<b>Sub-total</b>	<b>55,761.57</b>		
ARG	1,396.33				
EAC	4,185.01	<b>PEOPLES</b>			
EEP-94-40	2,265.69	ARG	1,484.95		
PGA	9,266.89	EEP-94-41	1,429.61		
RFU	1,483.28	PGA	7,194.28		
RPU-97-7	256.36	RFU	728.06		
Tariffs	4,281.52	Tariffs	2,025.37		
<b>Sub-total</b>	<b>25,620.70</b>	<b>Sub-total</b>	<b>12,862.27</b>		
<b>IOWA-AMERICAN WATER</b>		<b>UNITED CITIES GAS</b>			
RPU-98-3	11,249.38	ARG	1,129.29		
Tariffs	205.45	ECR	792.68		
<b>Sub-total</b>	<b>11,454.83</b>	PGA	3,144.74		
		RFU	267.04		
		Tariffs	258.12		
		<b>Sub-total</b>	<b>5,591.87</b>		

**Schedule B**  
**Pipeline Billings**

AG PROCESSING	\$1,372.00
ANR PIPELINE CO.	4,634.50
ARCADIAN CORP.	6.00
ARCHER DANIELS MIDLAND	8.00
BEDFORD MUN. GAS UTILITY	25.50
BRIGHTON MUN. GAS SYSTEM	15.00
CLEARFIELD MUN. GAS UTILITY	7.00
CORNING MUN. UTILITY	20.00
DOME PIPELINE	564.89
FAIRBANK MUN. UTILITY	18.00
IES UTILITES	8,201.87
INTERSTATE POWER CO.	163.50
KANEB PIPELINE CO.	290.64
KINDER MORGAN OPERATING L.P.	147.00
KOCH PIPELINE	919.30
LENOX MUNICIPLE GAS UTILITY	42.00
MANNING MUN. GAS DEPT.	1,797.27
MIDAMERICAN ENERGY CO.	5,521.57
MID-AMERICAN PIPELINE CO.	1,260.48
MONTEZUMA MUN. UTILITY	37.50
MORNING SUN MUN. GAS UTILITY	2.50
MOULTON MUN. GAS SYSTEM	6.00
NATIONAL COOP. REFINERY	126.94
NATURAL GAS PIPELINE CO.	13,105.00
NORTHERN NATURAL GAS CO.	26,994.00
NORTHERN PLAINS NATURAL GAS CO.	3,255.00
PEOPLES NATURAL GAS CO.	351.00
QUANTUM CHEMICAL CO.	10.00
QUANTUM PIPELINE CO.	3,356.62
SIOUX CITY BRICK & TILE CO.	4.00
UNITED CITIES GAS CO.	69.00
US GYPSUM CO.	12.00
WAYLAND MUN. GAS UTILITY	11.00
WELLMAN MUN. GAS SYSTEM	12.00
WINFIELD MUN. GAS UTILITY	5.00

<b>TOTAL PIPELINE BILLINGS</b>	<b>\$72,372.08</b>
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**Schedule C**  
**E-Docket Billings**

CENTRAL IOWA POWER COOP.	\$3,987.04
CORN BELT POWER COOP.	874.29
DAIRYLAND POWER COOP.	1,155.04
DENISON MUN. UTILITIES	292.19
IES UTILITIES	23,311.28
INTERSTATE POWER CO.	761.59
LAPORTE CITY UTILITY	922.14
MIDAMERICAN ENERGY CO.	9,803.17
MT. PLEASANT MUN. UTILITY	14,502.83
NEBRASKA ELEC. G&T COOP.	573.35
NORTHWEST IOWA POWER COOP.	235.97
SPENCER MUN. UTILITY	994.82
STORM LAKE POWER PARTNERS	1,737.94

<b>TOTAL E-DOCKET BILLINGS</b>	<b>\$59,151.65</b>
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## REMAINDER ASSESSMENTS

<b>RATE REGULATED</b>	<b>Calendar 1997 <u>Revenue</u></b>	<b>FY 98 <u>Assessment</u></b>
<b>WATER</b>		
IOWA AMERICAN WATER	\$17,954,426	\$26,185.19
<b>ELECTRIC &amp; GAS</b>		
INTERSTATE	242,879,540	354,221.73
IES UTILITIES	785,368,319	1,145,401.23
MIDAMERICAN ENERGY	1,297,239,176	1,891,926.70
<b>NATURAL GAS</b>		
UNITED CITIES GAS	6,650,193	9,698.81
PEOPLES	119,446,271	174,203.49
<b>RURAL ELECTRIC COOPERATIVE</b>		
LINN COUNTY REC	16,213,784	23,646.60
<b>LOCAL TELEPHONES</b>		
FRONTIER COMMUNICATIONS OF IA	22,438,659	32,725.11
GTE MIDWEST-LOCAL	137,785,000	200,949.17
U. S. WEST-LOCAL	378,291,000	551,709.26
<b>INTEREXCHANGE TELEPHONES</b>		
AMERITEL PAY PHONES, INC.	1,239,961	1,808.39
AT & T	43,834,177	63,928.88
CONQUEST OPERATOR	52,122	76.02
GERLACH COMMUNICATION	88,404	128.93
INTELLICAL OPERATORS	442,294	645.05
IOWA NETWORK SERVICES	8,809,623	12,848.18
MCI TELECOMMUNICATIONS	37,987,723	55,402.27
MCLEOD TELEMAGEMENT	14,493,506	21,137.70
ONE CALL COMMUNICATIONS	70,480	102.79
PAY PHONES UNLIMITED	56,807	82.85

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AFTON MUN. ELEC. SYSTEM	419,159	305.66
AKRON ELECTRIC	712,359	519.46
ALGONA MUN. UTIL.	5,312,897	3,874.23
ALTA ELECTRIC	633,927	462.27
ALTA VISTA ELECTRIC	114,894	83.78
ALTON MUN. UTIL.	403,266	294.07
AMANA-ELECTRIC	4,599,936	3,354.33
AMES MUN. ELEC. UTIL.	24,044,344	17,533.44
ANITA MUN. UTIL.	393,228	286.75
ANTHON ELECTRIC	337,499	246.11
APLINGTON ELECTRIC	381,475	278.18
ATLANTIC MUN. UTIL.	4,802,851	3,502.30
AUBURN ELECTRIC	119,555	87.18
AURELIA ELECTRIC	492,613	359.22
BANCROFT MUN. UTIL.	609,121	444.18
BELLEVUE MUN. UTIL.	1,205,719	879.23
BREDA ELEC. SYSTEM	263,119	191.87
BUFFALO ELECTRIC	311,154	226.90
BURT MUN. ELEC. UTIL.	230,936	168.40
CALLENDER ELECTRIC	163,706	119.38
CARLISLE MUN. ELEC. UTIL.	1,114,949	813.04
COGGON MUN. LIGHT PLANT	312,914	228.18
CORWITH ELEC. DIST. SYSTEM	187,077	136.42
DANVILLE MUN. ELEC. UTIL.	337,406	246.04
DAYTON LIGHT & POWER	342,292	249.60
DENISON MUN. UTIL.	4,805,221	3,504.03
DENVER ELECTRIC	697,833	508.87
DIKE ELECTRIC	412,921	301.11
DURANT MUN. ELEC. PLANT	938,473	684.35
DYSART ELECTRIC	645,883	470.99
EARLVILLE MUN. ELEC. UTIL.	298,167	217.43
ELDRIDGE ELECTRIC	2,119,837	1,545.81
ELLSWORTH ELECTRIC	509,240	371.34
ESTHERVILLE ELECTRIC	2,677,291	1,952.31
FARNHAMVILLE ELECTRIC	267,434	195.02
FONDA ELECTRIC	309,230	225.49
FONTANELLE MUN. ELEC. UTIL.	278,287	202.93
FOREST CITY MUN. LIGHT PLANT	3,242,125	2,364.20
FREDERICKSBURG ELECTRIC	1,261,219	919.70
GLIDDEN ELECTRIC	419,279	305.74
GOWRIE MUN. UTIL.	528,706	385.54
GRAFTON ELECTRIC	112,493	82.03
GRAND JUNCTION MUN. ELEC. UTIL.	468,267	341.47
GREENFIELD MUN. UTIL.	1,678,603	1,224.06
GRUNDY CTR. LIGHT & POW. DEPT.	1,589,199	1,158.86
GUTTENBERG ELECTRIC	1,046,811	763.35
HINTON MUN. ELEC. UTIL.	346,030	252.33
HOPKINTON MUN. UTIL.	361,078	263.30
HUDSON MUN. ELEC. UTIL.	801,951	584.79
INDEPENDENCE LIGHT & WATER	3,760,493	2,742.20
INDIANOLA ELECTRIC	4,502,375	3,283.19
KEOSAUQUA MUN. LIGHT & POWER	885,223	645.52
KIMBALLTON MUN. LIGHT PLANT	128,324	93.58

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LAKE MILLS MUN. UTIL.	2,040,699	1,488.10
LAKE VIEW ELECTRIC DEPARTMENT	927,908	676.64
LA PORTE CITY UTIL.	799,966	583.35
LARCHWOOD ELECTRIC	318,470	232.23
LAURENS MUN. LIGHT & POW. PLT.	1,219,516	889.29
LAWLER ELECTRIC	183,586	133.87
LEHIGH ELECTRIC	171,814	125.29
LIVERMORE ELECTRIC	217,377	158.51
LONG GROVE ELECTRIC	178,403	130.09
MAPLETON MUN. ELEC. LIGHT PLT.	728,861	531.49
MAQUOKETA MUN. LIGHT & POWER	4,535,713	3,307.50
MARATHON ELECTRIC	214,960	156.75
MCGREGOR MUN. UTIL.	465,486	339.44
MILFORD MUN. UTIL.	1,408,411	1,027.03
MT. PLEASANT UTIL.	4,241,131	3,092.69
MUSCATINE POWER & WATER	49,496,748	36,093.66
NEOLA LIGHT & WATER DEPT.	240,108	175.09
NEW HAMPTON MUN. LIGHT PLANT	2,911,862	2,123.37
NEW LONDON ELECTRIC	1,236,933	901.99
OGDEN MUN. UTIL.	849,259	619.29
ONAWA ELECTRIC	1,416,233	1,032.74
ORANGE CITY ELECTRIC	3,159,441	2,303.90
ORIENT ELECTRIC	160,614	117.12
PANORA MUN. ELEC. UTIL.	757,004	552.02
PATON ELECTRIC	188,556	137.50
PAULLINA MUN. LIGHT PLANT	426,009	310.65
PELLA ELECTRIC	11,228,545	8,188.00
POCAHONTAS ELECTRIC	922,556	672.74
PRIMGHAR MUN. LIGHT PLANT	483,632	352.67
READLYN ELECTRIC	263,508	192.15
RENWICK ELECTRIC	248,257	181.03
ROCKFORD MUN. LIGHT PLANT	412,073	300.49
SERGEANT BLUFF ELECTRIC	1,350,946	985.13
SHELBY ELECTRIC	232,244	169.36
SIBLEY MUN. UTIL.	1,726,242	1,258.80
SPENCER MUN. UTIL.	5,975,388	4,357.33
STANHOPE ELECTRIC	228,345	166.51
STANTON ELECTRIC	365,791	266.74
STATE CTR. MUN. LIGHT PLANT	1,044,778	761.87
STORY CITY MUN. ELEC. UTIL.	2,356,979	1,718.74
STRATFORD ELECTRIC	347,369	253.31
STRAWBERRY POINT ELECTRIC	616,818	449.79
STUART MUN. UTIL.	965,784	704.26
SUMNER MUN. LIGHT PLANT	896,222	653.54
TENNANT ELEC. UTIL.	34,875	25.43
TRAER MUN. UTIL.	1,327,396	967.95
VILLISCA MUN. POWER PLANT	535,347	390.38
VINTON MUN. LIGHT PLANT	2,173,904	1,585.24
WALL LAKE ELECTRIC	427,349	311.63
WAVERLY MUN. UTIL.	6,481,283	4,726.23
WEBSTER CITY ELECTRIC	8,842,060	6,447.74
WEST LIBERTY ELECTRIC	2,666,423	1,944.39
WEST POINT MUN. ELEC. SYSTEM	898,858	655.46

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WESTFIELD ELECTRIC	71,214	51.93
WILTON MUN. LIGHT & POW SYSTEM	1,430,815	1,043.37
WINTERSET MUN. UTIL.	2,814,886	2,052.65
WOOLSTOCK ELECTRIC	146,285	106.67

**MUNICAIPAL GAS COMPANIES**

ALLERTON GAS	787,999	574.62
BEDFORD MUN. GAS UTIL.	512,013	373.37
BRIGHTON GAS	174,631	127.34
CLEARFIELD MUN. GAS UTIL.	113,763	82.96
EMMETSBURG MUN. UTIL.	1,600,557	1,167.15
EVERLY MUN. GAS	353,026	257.43
GILMORE CITY MUN. GAS SYSTEM	388,293	283.15
GUTHRIE CENTER GAS	673,257	490.95
LINEVILLE NATURAL GAS SYSTEM	100,863	73.55
LORIMOR MUN. GAS SYSTEM	111,021	80.96
MORNING SUN MUN. GAS UTIL.	262,725	191.58
MOULTON MUNICIPAL GAS SYSTEM	199,785	145.69
PRESCOTT MUN. GAS SYSTEM	81,983	59.78
ROLFE MUN. GAS SYSTEM	298,688	217.81
SAC CITY MUN. GAS UTIL.	1,120,012	816.73
TITONKA, CITY OF	166,138	121.15
WAUKEE GAS	904,166	659.33
WAYLAND MUN. GAS UTIL.	391,284	285.33
WELLMAN GAS	390,758	284.95
WINFIELD GAS	320,464	233.69

**MUNICIPAL ELECTRIC & GAS COMPANIES**

BLOOMFIELD ELECTRIC & GAS	2,993,694	2,183.04
BROOKLYN MUN. UTIL.	1,070,285	780.47
CASCADE ELECTRIC & GAS	1,269,958	926.07
CEDAR FALLS UTIL.	24,677,209	17,994.94
COON RAPIDS MUN. UTIL.	2,091,908	1,525.45
CORNING MUN. UTIL.	1,483,196	1,081.57
FAIRBANK MUN. ELEC.	405,447	295.66
FAIRBANK MUN. GAS	263,283	191.99
GRAETTINGER ELECTRIC	369,494	269.44
GRAETTINGER MUN. GAS	279,297	203.67
HARLAN MUN. UTIL.	5,712,780	4,165.83
HARTLEY MUN. ELECTRIC	807,169	588.60
HARTLEY MUN. GAS	694,483	506.43
HAWARDEN ELECTRIC & GAS	2,329,183	1,698.47
LAKE PARK MUN. UTIL.(G & E)	980,414	714.93
LAMONI MUN. UTIL.	1,921,646	1,401.29
LENOX MUN. ELEC. UTIL.	709,169	517.14
LENOX MUN. GAS UTIL.	523,282	381.58
MANILLA MUN. ELEC. UTIL.	395,056	288.08
MANILLA MUN. GAS UTIL.	353,020	257.43
MANNING MUN. ELECTRIC	1,544,800	1,126.49
MANNING NATURAL GAS	888,965	648.24
MONTEZUMA MUN. UTIL. - LIGHT	1,179,382	860.02
MONTEZUMA MUN. UTIL. - GAS	733,387	534.80
OSAGE ELECTRIC & GAS	3,831,889	2,794.26

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PRESTON MUN. ELEC. UTIL.	486,288	354.61
PRESTON MUN. GAS UTIL.	357,721	260.85
REMSSEN ELECTRIC & GAS	1,192,741	869.76
ROCK RAPIDS, MUN. UTIL.	2,107,631	1,536.91
SABULA MUN. ELEC. & GAS	475,292	346.59
SANBORN MUN. LIGHT PLANT	738,247	538.34
SANBORN MUN. GAS SYSTEM	774,064	564.46
SIOUX CENTER ELECTRIC & GAS	5,616,676	4,095.75
TIPTON ELECTRIC	1,872,340	1,365.33
TIPTON GAS	983,755	717.37
WEST BEND ELECTRIC	834,238	608.34
WEST BEND GAS	473,627	345.37
WHITTEMORE ELECTRIC & GAS	580,831	423.55
WOODBINE MUN. POWER PLANT	571,716	416.90
WOODBINE GAS SYSTEM	449,337	327.66

**RURAL ELECTRIC COOPERATIVE**

ADAMS COUNTY COOP	2,397,475	1,748.27
ALLAMAKEE-CLAYTON ELEC COOP	8,535,126	6,223.92
ATCHISON-HOLT ELEC COOP	1,085,636	791.66
EAST-CENTRAL IOWA REC	11,573,744	8,439.72
BOONE VALLEY ELEC COOP	376,433	274.50
BUTLER COUNTY REC	8,588,448	6,262.81
CALHOUN COUNTY ELEC COOP	2,377,162	1,733.46
CASS ELEC COOP	86,759	63.27
HEARTLAND POWER COOP.	6,966,400	5,079.99
CENTRAL IOWA POWER COOP.	90,588,635	66,058.39
CHARITON VALLEY ELEC COOP	5,221,997	3,807.95
CLARKE ELEC COOP	5,569,149	4,061.09
CORN BELT POWER COOP.	46,200,313	33,689.86
EASTERN IOWA LIGHT & POWER	32,368,700	23,603.67
FARMERS COOP-KALONA	1,034,876	754.64
FARMERS COOP-GREENFIELD	7,478,224	5,453.22
FRANKLIN REC	3,071,456	2,239.74
GLIDDEN REC	2,863,346	2,087.99
GRUNDY COUNTY-IA	3,581,864	2,611.94
GRUNDY ELECTRIC-MO	260,615	190.04
GUTHRIE COUNTY ELEC COOP	5,488,920	4,002.59
HANCOCK COUNTY REC	3,379,816	2,464.61
HARRISON COUNTY REC	3,880,807	2,829.93
HAWKEYE TRI-COUNTY ELEC COOP	8,361,399	6,097.24
HUMBOLDT COUNTY REC	3,365,521	2,454.18
IDA COUNTY REC	2,617,485	1,908.70
L & O POWER COOP.	2,950,542	2,151.57
LYON REC	3,391,551	2,473.16
MAQUOKETA VALLEY REC	16,631,358	12,127.80
MARSHALL COUNTY REC	5,893,290	4,297.46
NISHNABOTNA VALLEY REC	5,417,944	3,950.83
NORTHWEST IOWA POWER COOP.	33,683,179	24,562.20
NYMAN ELEC COOP	1,979,858	1,443.74
OSCEOLA ELEC COOP	1,677,582	1,223.31
PELLA COOP ELEC	3,350,395	2,443.15
PLEASANT HILL COMMUNITY LINE	254,203	185.37

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PLYMOUTH ELEC COOP	4,476,085	3,264.02
RIDETA ELEC COOP	3,396,559	2,476.81
SOUTHEAST IOWA COOP ELEC	10,583,865	7,717.89
SAC COUNTY REC	1,680,523	1,225.46
NORTH WEST REC	8,015,858	5,845.27
WESTERN IOWA POWER COOP	7,561,238	5,513.75
SOUTHERN IOWA ELEC COOP	5,698,713	4,155.57
TIP REC	8,195,768	5,976.46
WOODBURY COUNTY REC	4,208,783	3,069.10
WRIGHT COUNTY REC	6,032,353	4,398.87
FEDERATED RURAL ELECTRIC COOP.	40,471	29.51
FREEBORN MOWER ELEC. COOP	10,109	7.37
TRI-COUNTY ELECTRIC COOP.	99,439	72.51
IOWA LAKES ELEC COOP	18,400,543	13,417.91
NOBLES COOP. ELECTRIC	9,759	7.12
MIDLAND POWER COOPERATIVE	14,895,690	10,862.13
UNITED ELECTRIC COOP.	577,919	421.43

**LOCAL TELEPHONES**

ACE TEL	1,904,866	1,389.05
ALPINE COMMUNICATIONS	2,175,191	1,586.18
AMANA COLONIES	846,304	617.14
ANDREW TEL	174,201	127.03
ARCADIA TEL	198,955	145.08
ATKINS TEL	335,535	244.68
AYRSHIRE FARMERS MUTUAL TEL	348,501	254.13
BALDWIN-NASHVILLE TEL	170,099	124.04
BARNES CITY COOP TEL	86,215	62.87
BERNARD TEL	383,059	279.33
BREDA TEL	701,383	511.46
BROOKLYN MUT TEL	689,271	502.63
BURT TEL	237,714	173.34
BUTLER-BREEMER MUTUAL TEL	1,064,032	775.91
CML TEL	305,789	222.99
CASCADE TEL	903,409	658.78
CASEY MUT TEL	241,884	176.38
CENTER JUNCTION TEL	75,651	55.17
CENTRAL SCOTT TEL	1,913,947	1,395.67
CENTURY TELEPHONE OF CHESTER	89,778	65.47
CITIZENS MUTUAL TEL	1,897,243	1,383.49
CLARENCE TEL	451,536	329.27
CLARKVILLE TELEPHONE	334,040	243.59
CLEAR LAKE TELEPHONE	3,262,697	2,379.20
COLO TEL	403,983	294.59
COON CREEK TEL	350,060	255.27
COON VALLEY TEL	267,300	194.92
COOP TEL EXCHANGE	220,538	160.82
COOP TEL-VICTOR	275,089	200.60
CORN BELT TEL	688,447	502.02
CUMBERLAND TEL	210,927	153.81
DANVILLE TEL	536,900	391.51
DEEP RIVER TEL	130,208	94.95
DEFIANCE TEL	155,471	113.37



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DIXON TEL	220,021	160.44
DUMONT TEL	387,407	282.50
DUNKERTON TEL	695,552	507.21
E BUCHANAN TEL	786,959	573.86
ELLSWORTH COOP TEL	429,364	313.10
FENTON COOP TEL	142,171	103.67
FARMERS & BUS TEL-WHEATLAND	697,712	508.78
FARMERS & MERCHANTS MUTUAL TEL	315,394	229.99
FARMERS COOP TEL-DYSART	656,162	478.48
FARMERS MUTUAL COOP TEL-MOULTON	274,328	200.04
FARMERS MUTUAL COOP TEL-HARLAN	826,837	602.94
FARMERS MUTUAL TEL-JESUP	1,301,822	949.31
FARMERS MUTUAL TEL-SHELLSBURG	782,011	570.25
FARMERS MUTUAL TEL-STANTON	508,709	370.96
FARMERS TEL-BATAVIA	248,166	180.97
FARMERS TEL-ESSEX	174,931	127.56
FARMERS MUTUAL TEL.-NORA SPRINGS	1,398,084	1,019.50
FARMERS TEL-RICEVILLE	743,924	542.48
GOLDFIELD TEL	271,264	197.81
GRAND MOUND COOP TEL	285,664	208.31
GRAND RIVER MUTUAL TEL	2,957,337	2,156.53
GRISWOLD COOP TEL	855,316	623.71
HARMONY TELEPHONE	43,201	31.50
HAWKEYE TEL	218,009	158.97
HEARTLAND TELECOMMUNICATIONS	3,343,988	2,438.48
HEART OF IOWA	328,188	239.32
HILLS TEL	881,957	643.13
HOSPERS TEL EXCHANGE	444,622	324.22
HUBBARD COOP TEL ASSN	355,674	259.36
HUXLEY COOP TEL	971,504	708.43
IAMO TEL-COIN	158,361	115.48
INTERSTATE 35 TEL	751,159	547.75
JEFFERSON TEL	1,603,677	1,169.42
JORDAN-SOLDIER VALLEY COOP.TEL.	166,355	121.31
KALONA COOP TEL	1,045,417	762.33
KEYSTONE FARMERS COOP TEL	618,719	451.18
LAMOTTE TEL	174,958	127.58
LA PORTE CITY FARMERS MUT TEL	1,181,973	861.91
LAUREL TEL	166,926	121.72
LEHIGH VALLEY COOP TEL	854,233	622.92
LONE ROCK COOP TEL	124,955	91.12
LOST NATION-ELWOOD TEL	236,061	172.14
LYNNVILLE COMM TEL	122,171	89.09
MABEL COOP TEL	266,524	194.35
MANILLA TEL	327,189	238.59
MARNE & ELK HORN TEL	593,209	432.58
MARTELLE COOP TEL	143,875	104.92
MASSENA TEL	229,283	167.20
MECHANICSVILLE TEL	422,883	308.37
MEDIAPOLIS TEL	1,046,513	763.13
MID-IOWA TEL COOP	733,883	535.16
MILES COOP TEL	299,937	218.72
MILLER TELEPHONE	38,945	28.40

**NON-RATE REGULATED  
LOCAL TELEPHONES**

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MINBURN TEL	286,704	209.07
MINERVA VALLEY TEL	419,505	305.91
MODERN COOP TEL	433,655	316.23
MONTEZUMA MUTUAL TEL	986,699	719.51
MUTUAL TEL-MORNING SUN	320,675	233.84
MUTUAL TEL-SIOUX CENTER	1,753,745	1,278.85
NORTH ENGLISH COOP TEL	320,217	233.51
NORTHEAST IOWA TEL	746,971	544.70
NORTHERN IOWA TEL	1,524,298	1,111.54
NORTHWEST IOWA TEL	1,603,955	1,169.62
NORTHWEST TEL COOP	766,457	558.91
NORWAY RURAL TEL	337,131	245.84
OGDEN TEL	819,277	597.43
OLIN TEL	426,245	310.82
ONslow COOP TEL	266,551	194.37
ORAN MUTUAL TEL	175,250	127.79
PALMER MUT TEL	210,818	153.73
PALO COOP TEL	210,163	153.25
PANORA COOP TEL	724,714	528.47
PEOPLES TEL	432,959	315.72
POSTVILLE TEL	646,616	471.52
PRAIRIE TEL	518,989	378.45
PRAIRIEBURG TEL	126,957	92.58
PRESTON TEL	671,366	489.57
RADCLIFFE TEL	268,797	196.01
READLYN TEL	438,344	319.65
RINGSTED TEL	195,600	142.63
RIVER VALLEY TEL	470,464	343.07
ROCKWELL COOP TEL	722,087	526.56
ROYAL TEL	194,748	142.01
RUTHVEN TEL EXCHANGE	378,696	276.15
SAC COUNTY MUTUAL TEL	501,549	365.74
SCHALLER TEL	983,349	717.07
SCHUYLER TELEPHONE CO.	676,810	493.54
SCRANTON TEL	269,793	196.74
SEARSBORO TEL	237,413	173.12
SHARON TEL	456,029	332.54
SHELL ROCK TEL	464,447	338.68
SOUTH SLOPE COOP TEL	2,953,834	2,153.97
SOUTHWEST TEL EXCHANGE	383,721	279.81
SPRING GROVE	19,711	14.37
SPRINGVILLE COOP TEL	424,732	309.72
STRATFORD MUTUAL TEL	339,528	247.59
SULLY TEL	506,818	369.58
SUPERIOR TEL	95,589	69.70
SWISHER TEL	304,625	222.14
TEMPLETON TEL	213,400	155.61
TERRIL TEL	231,717	168.97
TITONKA TEL	251,877	183.67
UNITED FARMERS TEL	377,172	275.04
UNIVERSAL COMM. OF ALLISON	300,657	219.24
VAB BUREN TELEPHONE	1,249,087	910.85
VAN HORNE COOP TEL	334,800	244.14

**NON-RATE REGULATED  
LOCAL TELEPHONES**

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VENTURA TEL	262,576	191.47
VILLISCA FARMERS TEL	496,729	362.22
WALNUT TEL	365,410	266.46
WEBB-DICKENS TEL	424,242	309.36
WEBSTER-CALHOUN COOP TEL	4,112,386	2,998.80
WELLMAN COOP TEL	640,274	466.90
WEST IOWA TEL	2,278,345	1,661.40
WEST LIBERTY TEL	1,846,369	1,346.40
WESTERN IOWA TEL ASSN	1,827,615	1,332.72
WESTSIDE IND TEL	209,511	152.78
WILTON TEL	934,317	681.32
WINNEBAGO COOP TEL ASSN	2,992,360	2,182.07
WOOLSTOCK MUTUAL TEL	97,387	71.02
WYOMING MUT TEL	337,772	246.31

**INTEREXCHANGE TELEPHONES**

AFFINITY FUND	188,505	137.46
ALLNET COMMUNICATIONS	8,977,642	6,546.61
BLT TECHNOLOGIES	61,788	45.06
BUDGET CALL LONG DISTANCE	724,874	528.59
COMMUNICGROUP OF KC	780,759	569.34
DIAL & SAVE	400,958	292.38
EXCEL TELECOMMUNICATIONS	7,549,563	5,505.24
FRONTIER COMM. INT.	102,853	75.00
FRONTIER COMM. OF GREAT LAKES	158,278	115.42
FRONTIER LONG DISTANCE	379,175	276.50
GE EXCHANGE	217,059	158.28
GTE CARD SERVICES	2,254,484	1,644.00
IADA SERVICES, INC.	797,281	581.39
INACOM COMMUNICATIONS	105,273	76.77
IXC LONG DISTANCE	292,575	213.35
LD SERVICES	116,584	85.01
LDC TELECOMMUNICATIONS	71,850	52.39
LDM SYSTEMS	119,891	87.43
LINK USA CORPORATION	9,613,835	7,010.53
LONG DISTANCE WHOLESALE CLUB	647,969	472.51
MCI TELECOMM. (TELECONNECT)	1,250,350	911.77
MFS INTELENET OF IOWA	87,362	63.71
NATIONAL ACCOUNTS	85,175	62.11
NATIONAL TELEPHONE COMM.	183,797	
NETWORK PLUS		

**NON-RATE REGULATED  
INTEREXCHANGE TELEPHONES**

**Calendar 1997  
Revenue**

**FY 98  
Assessment**

WINSTAR WIRELESS

86,998

63.44

WILTEL NETWORK

14,933,550

10,889.74

WORLD COM TECHNOLOGIES

10,291,473

7,504.67

***TOTAL REMAINDER ASSESSMENTS***

***\$4,036,823,365***

***\$5,227,117.40***

## Dual Party Assessments

Local Exchange Companies	Calendar 1997 <u>Revenue</u>	FY 1998 <u>Assessment</u>
FRONTIER TELEPHONE	28,352,802	29,853.07
GTE MIDWEST-LOCAL	105,522,000	111,105.62
U. S. WEST-LOCAL	342,492,000	360,614.72
ACE TEL	2,023,872	2,130.96
ALPINE COMMUNICATIONS (LOCAL)	2,360,709	2,485.62
AMANA COLONIES	923,011	971.85
ANDREW TEL	184,676	194.45
ARCADIA TEL	223,392	235.21
ATKINS TEL	350,973	369.54
AYRSHIRE FARMERS MUTUAL TEL	357,641	376.57
BALDWIN-NASHVILLE TEL	181,925	191.55
BARNES CITY COOP TEL	91,413	96.25
BERNARD TEL	418,658	440.81
BREDA TEL	810,351	853.23
BROOKLYN MUT TEL	735,039	773.93
BURT TEL	258,786	272.48
BUTLER-BREEMER MUTUAL TEL	1,168,284	1,230.10
CASCADE TEL	1,035,056	1,089.83
CASEY MUT TEL	262,888	276.80
CENTER JUNCTION TEL	81,274	85.57
CENTRAL SCOTT TEL	2,156,577	2,270.69
CENTURY TELEPHONE OF CHESTER	91,709	96.56
CITIZENS MUTUAL TEL	2,191,355	2,307.31
CLARENCE TEL	497,747	524.08
CLARKVILLE TELEPHONE (LOCAL)	366,505	385.90
CLEAR LAKE TEL	4,003,065	4,214.88
CML TEL	347,845	366.25
COLO TEL	474,825	499.95
COON CREEK TEL	391,396	412.11
COON VALLEY TEL	314,228	330.86
COOP TEL EXCHANGE	235,819	248.30
COOP TEL-VICTOR	246,904	259.97
CORN BELT TEL	734,961	773.85
CUMBERLAND TEL	229,434	241.57
DANVILLE TEL	616,272	648.88
DEEP RIVER TEL	145,772	153.49
DEFIANCE TEL	174,667	183.91
DIXON TEL	235,717	248.19
DUMONT TEL	540,132	568.71
DUNKERTON TEL	748,557	788.17
EAST BUCHANAN TEL	901,524	949.23
ELLSWORTH COOP TEL	492,360	518.41
FARMERS & BUS TEL-WHEATLAND	735,909	774.85
FARMERS & MERCHANTS MUTUAL TEL	366,573	385.97
FARMERS COOP TEL-DYSART	717,293	755.25
FARMERS MUTUAL COOP TEL-HARLAN	867,662	913.57
FARMERS MUTUAL COOP TEL-MOULTON	290,819	306.21
FARMERS MUTUAL TEL.-NORA SPRINGS	1,391,561	1,465.19
FARMERS MUTUAL TEL-JESUP	1,424,172	1,499.53
FARMERS MUTUAL TEL-SHELLSBURG	856,365	901.68

<b>Local Exchange Companies</b>	<b>Calendar 1997 <u>Revenue</u></b>	<b>FY 1998 <u>Assessment</u></b>
FARMERS MUTUAL TEL-STANTON	614,522	647.04
FARMERS TEL-BATAVIA	316,616	333.37
FARMERS TEL-ESSEX	192,635	202.83
FARMERS TEL-RICEVILLE	758,364	798.49
FENTON COOP TEL	177,462	186.85
GOLDFIELD TEL	314,556	331.20
GRAND MOUND COOP TEL	303,103	319.14
GRAND RIVER MUTUAL TEL	3,205,404	3,375.02
GRISWOLD COOP TEL	950,867	1,001.18
HARMONY TELEPHONE	44,359	46.71
HAWKEYE TEL	238,916	251.56
HEART OF IOWA	421,505	443.81
HEARTLAND TELECOMM. (LOCAL)	3,682,636	3,877.50
HILLS TEL	940,059	989.80
HOSPERS TEL EXCHANGE	599,479	631.20
HUBBARD COOP TEL ASSN	407,751	429.33
HUXLEY COOP TEL	1,042,727	1,097.90
IAMO TEL-COIN	170,647	179.68
INTERSTATE 35 TEL	835,270	879.47
JEFFERSON TEL	2,720,587	2,864.54
JORDAN-SOLDIER VALLEY COOP.TEL.	166,355	175.16
KALONA COOP TEL	1,197,116	1,260.46
KEYSTONE FARMERS COOP TEL	640,026	673.89
LA PORTE CITY FARMERS MUT TEL	1,262,202	1,328.99
LAMOTTE TEL	199,564	210.12
LAUREL TEL	173,206	182.37
LEHIGH VALLEY COOP TEL	1,008,971	1,062.36
LONE ROCK COOP TEL	143,196	150.77
LOST NATION-ELWOOD TEL	394,252	415.11
LYNNVILLE COMM TEL	134,022	141.11
MABEL COOP TEL	282,041	296.97
MANILLA TEL	369,622	389.18
MARNE & ELK HORN TEL	728,831	767.40
MARTELLE COOP TEL	165,145	173.88
MASSENA TEL	363,496	382.73
MC LEOD TELEMAGEMENT (LOCAL)	8,696,104	9,156.25
MECHANICSVILLE TEL	456,833	481.01
MEDIAPOLIS TEL	1,130,837	1,190.67
MID-IOWA TEL COOP	798,543	840.80
MILES COOP TEL	341,156	359.21
MILLER TELEPHONE	43,755	46.07
MINBURN TEL	320,899	337.88
MINERVA VALLEY TEL	455,152	479.24
MODERN COOP TEL	490,340	516.29
MONTEZUMA MUTUAL TEL	1,063,922	1,120.22
MUTUAL TEL-MORNING SUN	348,349	366.78
MUTUAL TEL-SIOUX CENTER	2,056,787	2,165.62
NORTH ENGLISH COOP TEL	363,573	382.81
NORTHEAST IOWA TEL	819,010	862.35
NORTHERN IOWA TEL	1,571,144	1,654.28
NORTHWEST IOWA TEL	2,265,556	2,385.44
NORTHWEST TEL COOP	766,457	807.01
NORWAY RURAL TEL	376,229	396.14



<b>Local Exchange Companies</b>	<b>Calendar 1997 <u>Revenue</u></b>	<b>FY 1998 <u>Assessment</u></b>
WOOLSTOCK MUTUAL TEL	163,989	172.67
WYOMING MUT TEL	359,940	378.99
<b><i>Total for Local Exchange Companies</i></b>	<b><i>598,973,504</i></b>	<b><i>630,667.77</i></b>
<b>Interexchange Telephone Companies</b>		
AFFINITY FUND	188,505	326.37
ALLNET COMMUNICATIONS	8,977,642	15,543.49
ALPINE LONG DISTANCE	136,752	236.77
AMERITECH COMMUNICATIONS	267,588	463.29
AMERITEL PAY PHONES, INC.	1,239,961	2,146.81
AT & T	93,116,989	161,218.57
BLT TECHNOLOGIES	61,788	106.98
BUDGET CALL LONG DISTANCE	724,874	1,255.01
C L TEL LONG DISTANCE	480,812	832.46
CALL FOR LESS	388,471	672.58
COMDATA TELECOMMUNICATIONS	225,582	390.56
COMMUNICGROUP OF KC	780,759	1,351.77
CONQUEST OPERATOR	52,122	90.24
DIAL & SAVE	907,429	1,571.08
EQUALNET	154,570	267.62
EXCEL TELECOMMUNICATIONS	7,549,563	13,070.97
FIRSTEL	677,059	1,172.23
FRONTIER COMM. INT.	102,853	178.08
FRONTIER COMM. OF GREAT LAKES	158,278	274.04
FRONTIER LONG DISTANCE	379,175	656.49
GE EXCHANGE	314,560	544.62
GERLACH COMMUNICATION	88,404	153.06
GTE CARD SERVICES(GTE COMM. CORP)	2,254,484	3,903.31
GTE MIDWEST-INTEREXCHANGE	33,686,000	58,322.43
IADA SERVICES, INC.	1,434,891	2,484.31
INACOM COMMUNICATIONS	105,273	182.26
INTELICAL OPERATORS	442,294	765.77
INTER-TEL NET	58,719	101.66
IOWA NETWORK SERVICES	29,395,518	50,894.08
IXC LONG DISTANCE	1,120,237	1,939.53
JOURNEY TELECOMMUNICATIONS	376,132	651.22
L.D. SERVICES	116,584	201.85
LCI INT. TELECOM	3,378,713	5,849.75
LDC TELECOMMUNICATIONS	71,850	124.40
LDM SYSTEMS	119,891	207.57
LINK USA CORPORATION	9,613,835	16,644.96
LONG DISTANCE WHOLESALE CLUB	1,680,845	2,910.14
MCI TELECOMM. (TELECONNECT)	1,250,350	2,164.80
MCI TELECOMMUNICATIONS	37,987,723	65,770.24
MCLEOD TELEMAGEMENT	5,797,402	10,037.36
MFS INTELENET OF IOWA	87,362	151.25
NATIONAL ACCOUNTS	85,175	147.47
NATIONAL TELEPHONE COMM.	183,797	318.22
NATIONAL TELESERVICE	2,052,686	3,553.93
NETWORK PLUS	94,782	164.10



<b>Interexchange Telephone Companies</b>	<b>Calendar 1997 <u>Revenue</u></b>	<b>FY 1998 <u>Assessment</u></b>
NORLIGHT TELECOMMUNICATIONS	379,280	656.67
NOS COMMUNICATION	431,627	747.30
ONE CALL COMMUNICATIONS	70,480	122.03
ONE STAR LONG DISTANCE	392,933	680.31
OPERATOR COMM DBA ONCOR	55,317	95.77
PAY PHONES UNLIMITED	316,328	547.68
PHOENIX NETWORK	151,123	261.65
PHONE TEL TECH.	63,960	110.74
POPP TELCOM	76,365	132.21
PREMIER COMMUNICATIONS	109,390	189.39
QAI D/B/A LONG DISTANCE BILLING	92,532	160.21
QCC	122,916	212.81
QWEST COMMUNICATIONS	306,143	530.04
SMARTALK TELESERVICES	136,911	237.04
SPRINT	12,912,766	22,356.58
SWITCHED SERVICES	896,190	1,551.62
TELECOM ONE	85,683	148.35
TELEGROUP	281,863	488.00
TELEPLUS TELECOMM.	61,098	105.78
TELESPAN COMMUNICATIONS	151,916	263.02
TEL-SAVE	431,285	746.71
TOTAL COMMUNICATIONS	3,309,544	5,730.00
TOUCH 1 COMMUNICATIONS	653,646	1,131.69
TRANS NATIONAL COMM.	122,769	212.56
TRANSCOMMUNICATIONS	81,426	140.98
TRES COM USA	3,569,008	6,179.22
TSC PAYPHONE	193,148	334.41
U.S. WEST-INTEREXCHANGE	60,822,000	105,304.48
UNI DIAL	244,227	422.84
US TEL	190,472	329.77
US WATS	57,802	100.08
VALUE TEL	66,701	115.48
VAR TEC NATIONAL	1,548,452	2,680.92
WEST COAST TELECOMM D/B/A WORLD	1,431,724	2,478.82
WESTINGHOUSE COMM.	574,155	994.07
WITEL NETWORK	14,933,550	25,855.28
WINSTAR WIRELESS	86,998	150.62
WORKING ASSETS FUNDING	191,056	330.79
WORLD COM TECHNOLOGIES	10,291,473	17,818.19
<b>Total for Interexchange Companies</b>	<b>\$364,262,536</b>	<b>\$630,667.80</b>
<b>GRAND TOTAL</b>	<b>\$963,236,040</b>	<b>\$1,261,335.60</b>

## FUNDING FOR IOWA ENERGY CENTER AND GLOBAL WARMING CENTER

<b>RATE REGULATED</b>	<b>Calendar 1997 <u>Revenue</u></b>	<b>Energy <u>Center</u></b>	<b>Global <u>Warming</u></b>	<b>Total <u>Assessment</u></b>
INTERSTATE	\$230,278,935	\$195,737	\$34,542	\$230,279
IES UTILITIES	695,891,147	591,507	104,384	695,891
MIDAMERICAN ENERGY-ELECTRIC	847,876,338	720,691	127,181	847,876
MIDAMERICAN ENERGY-GAS	419,507,017	356,581	62,926	419,507
UNITED CITIES GAS	7,331,034	6,231	1,100	7,331
PEOPLES	110,393,489	93,834	16,559	110,393
LINN COUNTY REC	16,099,060	13,684	2,415	16,099
<b>MUNICIPAL ELECTRIC</b>				
AFTON MUN. ELEC. SYSTEM	409,463	348	61	409
AKRON ELECTRIC	672,512	572	101	673
ALGONA MUN. UTIL.	4,834,388	4,109	725	4,834
ALTA ELECTRIC	621,461	528	93	621
ALTA VISTA ELECTRIC	116,384	99	17	116
ALTON MUN. UTIL.	398,575	339	60	399
AMANA-ELECTRIC	4,679,232	3,977	702	4,679
AMES MUN. ELEC. UTIL.	22,166,408	18,841	3,325	22,166
ANITA MUN. UTIL.	376,738	320	57	377
ANTHON ELECTRIC	329,009	280	49	329
APLINGTON ELECTRIC	380,306	323	57	380
ATLANTIC MUN. UTIL.	4,202,112	3,572	630	4,202
AUBURN ELECTRIC	122,119	104	18	122
AURELIA ELECTRIC	496,851	422	75	497
BANCROFT MUN. UTIL.	572,045	486	86	572
BELLEVUE MUN. UTIL.	1,248,460	1,061	187	1,248
BREDA ELEC. SYSTEM	258,472	219	39	258
BUFFALO ELECTRIC	319,545	272	48	320
BURT MUN. ELEC. UTIL.	225,318	191	34	225
CALLENDER ELECTRIC	142,124	121	21	142
CARLISLE MUN. ELEC. UTIL.	1,101,856	937	165	1,102
COGGON MUN. LIGHT PLANT	330,661	281	50	331
CORWITH ELEC. DIST. SYSTEM	180,309	153	27	180
DANVILLE MUN. ELEC. UTIL.	326,659	278	49	327
DAYTON LIGHT & POWER	349,101	297	52	349
DENISON MUN. UTIL.	4,678,710	3,977	702	4,679
DENVER ELECTRIC	712,361	605	107	712
DIKE ELECTRIC	422,568	360	63	423
DURANT MUN. ELEC. PLANT	909,464	773	136	909
DYSART ELECTRIC	618,620	526	93	619
EARLVILLE MUN. ELEC. UTIL.	286,397	243	43	286
ELDRIDGE ELECTRIC	1,844,417	1,567	277	1,844
ELLSWORTH ELECTRIC	502,567	428	75	503
ESTHERVILLE ELECTRIC	2,590,100	2,202	389	2,590
FARNHAMVILLE ELECTRIC	260,199	221	39	260
FONDA ELECTRIC	272,200	231	41	272
FONTANELLE MUN. ELEC. UTIL.	275,295	234	41	275
FOREST CITY MUN. LIGHT PLANT	3,243,353	2,757	486	3,243
FREDERICKSBURG ELECTRIC	1,279,509	1,088	192	1,280

<b>MUNICIPAL ELECTRIC</b>	<b>Calendar 1997 <u>Revenue</u></b>	<b>Energy <u>Center</u></b>	<b>Global <u>Warming</u></b>	<b>Total <u>Assessment</u></b>
GLIDDEN ELECTRIC	432,120	367	65	432
GOWRIE MUN. UTIL.	555,453	472	83	555
GRAFTON ELECTRIC	109,075	93	16	109
GRAND JUNCTION MUN. ELEC. UTIL.	444,173	377	67	444
GREENFIELD MUN. UTIL.	1,706,956	1,451	256	1,707
GRUNDY CTR. LIGHT & POW. DEPT.	1,575,975	1,340	236	1,576
GUTTENBERG ELECTRIC	1,088,373	925	163	1,088
HINTON MUN. ELEC. UTIL.	334,593	285	50	335
HOPKINTON MUN. UTIL.	398,753	339	60	399
HUDSON MUN. ELEC. UTIL.	791,660	673	119	792
INDEPENDENCE LIGHT & WATER	3,701,769	3,147	555	3,702
INDIANOLA ELECTRIC	4,377,613	3,721	657	4,378
KEOSAUQUA MUN. LIGHT & POWER	726,145	617	109	726
KIMBALLTON MUN. LIGHT PLANT	125,110	106	19	125
LAKE MILLS MUN. UTIL.	1,813,620	1,542	272	1,814
LAKE VIEW ELECTRIC DEPARTMENT	905,300	769	136	905
LA PORTE CITY UTIL.	760,105	646	114	760
LARCHWOOD ELECTRIC	317,978	270	48	318
LAURENS MUN. LIGHT & POW. PLT.	860,929	732	129	861
LAWLER ELECTRIC	168,082	143	25	168
LEHIGH ELECTRIC	177,829	151	27	178
LIVERMORE ELECTRIC	218,042	185	33	218
LONG GROVE ELECTRIC	181,646	155	27	182
MAPLETON MUN. ELEC. LIGHT PLT.	745,646	634	112	746
MAQUOKETA MUN. LIGHT & POWER	4,343,243	3,692	651	4,343
MARATHON ELECTRIC	233,112	198	35	233
MCGREGOR MUN. UTIL.	472,909	402	71	473
MILFORD MUN. UTIL.	1,471,359	1,250	221	1,471
MT. PLEASANT UTIL.	4,158,896	3,535	624	4,159
MUSCATINE POWER & WATER	38,554,158	32,771	5,783	38,554
NEOLA LIGHT & WATER DEPT.	232,587	198	35	233
NEW HAMPTON MUN. LIGHT PLANT	2,722,278	2,314	408	2,722
NEW LONDON ELECTRIC	1,139,190	968	171	1,139
OGDEN MUN. UTIL.	786,316	668	118	786
ONAWA ELECTRIC	1,462,676	1,244	219	1,463
ORANGE CITY ELECTRIC	3,085,892	2,623	463	3,086
ORIENT ELECTRIC	139,892	119	21	140
PANORA MUN. ELEC. UTIL.	727,981	619	109	728
PATON ELECTRIC	188,798	161	28	189
PAULLINA MUN. LIGHT PLANT	415,462	353	62	415
PELLA ELECTRIC	11,250,584	9,563	1,688	11,251
POCAHONTAS ELECTRIC	1,082,273	920	162	1,082
PRIMGHAR MUN. LIGHT PLANT	385,121	327	58	385
READLYN ELECTRIC	270,223	230	41	270
RENWICK ELECTRIC	251,434	213	38	251
ROCKFORD MUN. LIGHT PLANT	418,599	356	63	419
SERGEANT BLUFF ELECTRIC	1,402,662	1,193	210	1,403
SHELBY ELECTRIC	215,539	184	32	216
SIBLEY MUN. UTIL.	1,707,221	1,451	256	1,707
SPENCER MUN. UTIL.	5,661,772	4,813	849	5,662
STANHOPE ELECTRIC	229,166	195	34	229

<b>MUNICIPAL ELECTRIC</b>	<b>Calendar 1997 <u>Revenue</u></b>	<b>Energy <u>Center</u></b>	<b>Global <u>Warming</u></b>	<b>Total <u>Assessment</u></b>
STANTON ELECTRIC	377,523	321	57	378
STATE CTR. MUN. LIGHT PLANT	967,618	823	145	968
STORY CITY MUN. ELEC. UTIL.	2,124,884	1,806	319	2,125
STRATFORD ELECTRIC	362,556	309	54	363
STRAWBERRY POINT ELECTRIC	597,879	508	90	598
STUART MUN. UTIL.	941,618	801	141	942
SUMNER MUN. LIGHT PLANT	895,707	762	134	896
TENNANT ELEC. UTIL.	28,403	24	4	28
TRAER MUN. UTIL.	1,208,371	1,027	181	1,208
VILLISCA MUN. POWER PLANT	499,467	424	75	499
VINTON MUN. LIGHT PLANT	2,211,949	1,880	332	2,212
WALL LAKE ELECTRIC	431,716	367	65	432
WAVERLY MUN. UTIL.	6,708,473	5,702	1,006	6,708
WEBSTER CITY ELECTRIC	8,519,708	7,242	1,278	8,520
WEST LIBERTY ELECTRIC	2,708,819	2,303	406	2,709
WEST POINT MUN. ELEC. SYSTEM	810,284	689	122	810
WESTFIELD ELECTRIC	66,938	57	10	67
WILTON MUN. LIGHT & POW SYSTEM	1,459,242	1,240	219	1,459
WINTERSET MUN. UTIL.	2,638,136	2,242	396	2,638
WOOLSTOCK ELECTRIC	120,414	102	18	120
<b>MUNICIPAL ELECTRIC &amp; GAS</b>				
BLOOMFIELD ELECTRIC & GAS	2,408,959	2,048	361	2,409
BROOKLYN MUN. UTIL.	1,009,497	858	151	1,009
CASCADE ELECTRIC & GAS	1,159,920	986	174	1,160
CEDAR FALLS UTIL.	23,669,236	20,119	3,550	23,669
COON RAPIDS MUN. UTIL.	1,854,445	1,576	278	1,854
CORNING MUN. UTIL.	1,326,462	1,127	199	1,326
FAIRBANK MUN. ELEC.	385,299	327	58	385
FAIRBANK MUN. GAS	231,594	197	35	232
GRAETTINGER ELECTRIC	364,099	309	55	364
GRAETTINGER MUN. GAS	286,703	244	43	287
HARLAN MUN. UTIL.	5,445,654	4,629	817	5,446
HARTLEY MUN. ELECTRIC	882,918	751	132	883
HARTLEY MUN. GAS	497,379	422	75	497
HAWARDEN ELECTRIC & GAS	2,229,080	1,895	334	2,229
LAKE PARK MUN. UTIL.(G & E)	1,002,526	853	150	1,003
LAMONI MUN. UTIL.	1,947,509	1,656	292	1,948
LENOX MUN. ELEC. UTIL.	701,855	597	105	702
LENOX MUN. GAS UTIL.	518,601	441	78	519
MANILLA MUN. ELEC. UTIL.	418,312	355	63	418
MANILLA MUN. GAS UTIL.	354,834	302	53	355
MANNING MUN. ELECTRIC	1,545,577	1,314	232	1,546
MANNING NATURAL GAS	935,769	796	140	936
MONTEZUMA MUN. UTIL. - LIGHT	1,271,419	1,080	191	1,271
MONTEZUMA MUN. UTIL. - GAS	649,157	552	97	649
OSAGE ELECTRIC & GAS	3,715,850	3,159	557	3,716
PRESTON MUN. ELEC. UTIL.	432,544	368	65	433
PRESTON MUN. GAS UTIL.	279,822	238	42	280
REMSSEN ELECTRIC & GAS	1,160,156	986	174	1,160
ROCK RAPIDS, MUN. UTIL.	1,948,331	1,656	292	1,948

<b>MUNICIPAL ELECTRIC &amp; GAS</b>	<b>Calendar 1997 <u>Revenue</u></b>	<b>Energy <u>Center</u></b>	<b>Global <u>Warming</u></b>	<b>Total <u>Assessment</u></b>
SABULA MUN. ELEC. & GAS	471,393	400	71	471
SANBORN MUN. LIGHT PLANT	743,581	632	112	744
SANBORN MUN. GAS SYSTEM	754,759	642	113	755
SIOUX CENTER ELECTRIC & GAS	5,200,739	4,421	780	5,201
TIPTON ELECTRIC	1,962,422	1,668	294	1,962
TIPTON GAS	985,339	837	148	985
WEST BEND ELECTRIC	931,784	792	140	932
WEST BEND GAS	425,207	361	64	425
WHITTEMORE ELECTRIC & GAS	613,664	522	92	614
WOODBINE MUN. POWER PLANT	573,370	487	86	573
WOODBINE GAS SYSTEM	401,980	342	60	402
<b>MUNICIPAL GAS</b>				
ALLERTON GAS	677,803	576	102	678
BEDFORD MUN. GAS UTIL.	496,626	422	75	497
BRIGHTON GAS	184,743	157	28	185
CLEARFIELD MUN. GAS UTIL.	116,197	99	17	116
EMMETSBURG MUN. UTIL.	1,501,909	1,277	225	1,502
EVERLY MUN. GAS	352,595	300	53	353
GILMORE CITY MUN. GAS SYSTEM	447,117	380	67	447
GUTHRIE CENTER GAS	705,227	599	106	705
LINEVILLE NATURAL GAS SYSTEM	94,653	81	14	95
LORIMOR MUN. GAS SYSTEM	116,666	99	18	117
MORNING SUN MUN. GAS UTIL.	291,568	248	44	292
MOULTON MUNICIPAL GAS SYSTEM	216,318	184	32	216
PRESCOTT MUN. GAS SYSTEM	88,642	76	13	89
ROLFE MUN. GAS SYSTEM	314,785	268	47	315
SAC CITY MUN. GAS UTIL.	976,422	830	146	976
TITONKA, CITY OF	165,559	141	25	166
WAUKEE GAS	892,748	759	134	893
WAYLAND MUN. GAS UTIL.	414,555	353	62	415
WELLMAN GAS	425,175	361	64	425
WINFIELD GAS	333,374	283	50	333
<b>RURAL ELECTRIC COOPERATIVES</b>				
ADAMS COUNTY COOP	2,483,206	2,111	372	2,483
ALLAMAKEE-CLAYTON ELEC COOP	8,671,588	7,371	1,301	8,672
ATCHISON-HOLT ELEC COOP	1,062,536	904	159	1,063
EAST-CENTRAL IOWA REC	11,593,549	9,855	1,739	11,594
BOONE VALLEY ELEC COOP	171,100	145	26	171
BUTLER COUNTY REC	7,389,314	6,281	1,108	7,389
CALHOUN COUNTY ELEC COOP	2,264,799	1,925	340	2,265
CASS ELEC COOP	84,915	72	13	85
CEDAR VALLEY ELEC COOP	4,248,977	3,612	637	4,249
CENTRAL IOWA POWER COOP.	0	0	0	0
CHARITON VALLEY ELEC COOP	5,041,115	4,285	756	5,041
CLARKE ELEC COOP	5,540,156	4,709	831	5,540
CORN BELT POWER COOP.	0	0	0	0
EASTERN IOWA LIGHT & POWER	27,971,054	23,775	4,196	27,971
FARMERS COOP-KALONA	1,044,942	888	157	1,045
FARMERS COOP-GREENFIELD	7,568,802	6,434	1,135	7,569

<b>RURAL ELECTRIC COOPERATIVES</b>	<b>Calendar 1997 <u>Revenue</u></b>	<b>Energy <u>Center</u></b>	<b>Global <u>Warming</u></b>	<b>Total <u>Assessment</u></b>
FRANKLIN REC	3,111,618	2,645	467	3,112
GLIDDEN REC	2,681,265	2,279	402	2,681
GRUNDY COUNTY-IA	3,714,280	3,157	557	3,714
GRUNDY ELECTRIC-MO	261,794	223	39	262
GUTHRIE COUNTY ELEC COOP	5,802,558	4,933	870	5,803
HANCOCK COUNTY REC	3,355,970	2,853	503	3,356
HARRISON COUNTY REC	3,953,893	3,361	593	3,954
HAWKEYE TRI-COUNTY ELEC COOP	8,241,730	7,006	1,236	8,242
HUMBOLDT COUNTY REC	3,320,156	2,822	498	3,320
IDA COUNTY REC	2,523,109	2,145	378	2,523
L & O POWER COOP.	0	0	0	0
LYON REC	3,111,489	2,644	467	3,111
MAQUOKETA VALLEY REC	16,787,384	14,269	2,518	16,787
MARSHALL COUNTY REC	5,802,288	4,932	870	5,802
NISHNABOTNA VALLEY REC	5,029,299	4,275	754	5,029
NODAWAY WORTH ELEC COOP	592,253	503	89	592
NORTHWEST IOWA POWER COOP.	0	0	0	0
NYMAN ELEC COOP	1,912,386	1,625	287	1,912
OSCEOLA ELEC COOP	1,657,109	1,408	249	1,657
PELLA COOP ELEC	3,377,562	2,871	507	3,378
PLEASANT HILL COMMUNITY LINE	282,685	241	42	283
PLYMOUTH ELEC COOP	4,406,524	3,746	661	4,407
RIDETA ELEC COOP	3,375,100	2,869	506	3,375
SOUTHEAST IOWA COOP ELEC	10,777,060	9,160	1,617	10,777
SAC COUNTY REC	1,653,265	1,405	248	1,653
NORTH WEST REC	7,083,234	6,021	1,062	7,083
SOUTHERN IOWA ELEC COOP	4,264,319	3,624	640	4,264
TIP REC	8,501,978	7,227	1,275	8,502
WINNEBAGO REC	2,754,037	2,341	413	2,754
WOODBURY COUNTY REC	4,162,021	3,538	624	4,162
WRIGHT COUNTY REC	5,777,034	4,910	867	5,777
FEDERATED RURAL ELECTRIC COOP.	43,245	37	6	43
FREEBORN MOWER ELEC. COOP	9,970	9	2	10
TRI-COUNTY ELECTRIC COOP.	100,948	86	15	101
IOWA LAKES ELEC COOP	18,305,549	15,560	2,746	18,306
NOBLES COOP. ELECTRIC	11,091	9	2	11
MIDLAND POWER COOPERATIVE	13,977,072	11,880	2,097	13,977
WESTERN IOWA POWER COOP	7,238,945	6,153	1,086	7,239
<b>GRAND TOTAL</b>	<b>\$2,862,945,581</b>	<b>\$2,433,508</b>	<b>\$429,437</b>	<b>\$2,862,945</b>



# Iowa Utilities Board

